

NEBRASKA

Mina R. McCulley, Bassett.
Kathlene Patrick, Ericson.
Chester C. Alden, Whitman.

NEW JERSEY

William F. Vredenburg, Caldwell.
Robert T. Lentz, National Park.
Charles R. Stoneall, Ridgewood.
Reid Howell, Rutherford.
Ada E. Holmes, Sayreville.
Robert Chapman, South Amboy.

NEW YORK

Ethel C. Smith, Adams Center.
William D. Walling, Hudson Falls.
George Anderson, Thornwood.

NORTH CAROLINA

Ulysses C. Richardson, Asheboro.
James E. Correll, China Grove.
Samuel S. Weir, Kings Mountain.
Otis P. Brower, Liberty.
Blanche S. Wilson, Warsaw.
David Smith, Whiteville.

OHIO

Edward C. Anderson, Blanchester.
Warren E. Smiley, Cardington.
Herbert Newhard, sr., Carey.
Samuel F. Rose, Clarington.
Howard B. Kurtz, Conneaut.
William H. Taylor, Cuyahoga Falls.
George H. Lewis, Geneva.
Henry H. Harvey, Kenton.
Arthur G. Williams, Ferrysburg.
Leonidas A. Smith, Ridgeway.
Mayme Pemberton, Roseville.
Roy Heap, St. Marys.
Robert L. Nelson, Senecaville.
Mary E. Lee, Westerville.

OKLAHOMA

Henry W. Hoel, Jennings.
Robert B. Morford, Lawton.

OREGON

George C. Stephens, Arlington.
Adam H. Knight, Canby.
Annie S. Clifford, Molalla.

PENNSYLVANIA

Harvey A. McKillip, Bloomsburg.
H. Stanley Drake, Norristown.
Franklin H. Bean, Quakertown.
Frederick M. Adam, Temple.

TEXAS

Lucille H. Tunnell, Gregory.
Fannie M. Black, Perryton.
Hubert D. Boyd, Southland.

VIRGINIA

Haynie S. Robertson, Blackstone.
Edwin L. Toone, Boydton.
Robert P. Dickenson, Dante.
William H. Ruebush, Dayton.
S. Clyde Bliss, Farmville.

HOUSE OF REPRESENTATIVES

MONDAY, January 10, 1927

The House met at 12 o'clock noon.

The Rev. Joseph Richard Sizoo, D. D., Ph. D., of the New York Avenue Presbyterian Church, Washington, D. C., offered the following prayer:

Ever living, ever loving God, in whom we live and move and have our being, we thank Thee that we are not strangers to Thy love or aliens to Thy care. There is no life, however humble, or service, however commonplace, but what Thou art mindful of it.

As we enter upon this day and this newborn week, grant, therefore, we may never lose sight of Thee, knowing that underneath and round about us are Thy everlasting arms.

And unto Thee, Father, Son, and Holy Ghost, shall we give all the praise, world without end. Amen.

The Journal of the proceedings of yesterday was read and approved.

AID OF COMMON OR PUBLIC SCHOOLS IN STATES AND TERRITORIES

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent that the bill (S. 564) confirming in States and Territories title to lands granted by the United States in the aid of common or public schools be referred to the Committee on the Public Lands.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

ENROLLED BILL SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 13452. An act granting the consent of Congress to the Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Co. to construct, maintain, and operate a railroad bridge across the Wabash River.

MESSAGE FROM THE PRESIDENT

A message in writing from the President was communicated to the House by Mr. Latta, one of his secretaries, who also announced that the President had, on January 8, 1927, approved a bill of the following number and title:

H. R. 10029. An act granting the consent of Congress to the Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Co., its successors and assigns, to construct a bridge across the Little Calumet River in Thornton Township, Cook County, Ill.

INDIAN AFFAIRS

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing a speech made by Assistant Commissioner Edgar B. Meritt, Assistant Commissioner of the Bureau of Indian Affairs.

Mr. FREAR. Mr. Speaker, reserving the right to object, I am willing to consent to that if the questioning by his audience in connection with Mr. Meritt's speech is also printed. If the Chair will pardon me for a moment, Mr. Meritt went out to San Francisco to answer some speeches that were made by myself. When he went there he was examined and cross-examined by certain people present in connection with his remarks, and there is a stenographic record of the questions and the replies which I have. If all the questions and answers can go in, I am perfectly agreeable. The whole matter consists of about 124 pages of typewritten matter.

Mr. CRAMTON. Mr. Speaker, if the gentleman will yield, the gentleman from Wisconsin [Mr. FREAR] has had the benefit of the courtesy of the House in a very, very liberal degree. Within the last few days the gentleman from Wisconsin [Mr. FREAR], under leave to extend, has put in a great many pages—

Mr. LEAVITT. Twenty-eight pages.

Mr. FREAR. Twenty-four pages covers two sets of remarks.

Mr. CRAMTON (continuing). That directly attack Assistant Commissioner Meritt, as well as referring to other Members of the House.

It seems to me, if the gentleman from Wisconsin will permit, when one Member avails himself of the privilege of a very great extension of remarks attacking others, it is no more than just, good, American spirit of fair play to let the speech of the man attacked, and which was referred to in the extension of the gentleman from Wisconsin, be inserted in the Record and stand for itself. If the gentleman from Wisconsin has some more matters that he would like to insert under an extension, for which he takes responsibility, I dare say there would be no objection made. But fairness ought to compel the gentleman to permit the speech, which he himself has attacked in his extension, to be inserted as delivered.

Mr. FREAR. Mr. Speaker, the gentleman misunderstands my position or he misstates it, because I said that this speech of Mr. Meritt was an attack upon myself. I do not object to having it extended in the Record, if the gentleman so desires, but I do wish the questions that were asked Mr. Meritt at that time in response to his speech, which occupy all together about 124 typewritten pages, together with the answers, to also go in the Record. I do not object to the speech, but I want it all to go in.

Mr. LEAVITT. Mr. Speaker, if the gentleman wishes to put that in under his name, I am perfectly willing. I have not that material. I do feel, however, as the gentleman from Michigan [Mr. CRAMTON] has said, that with the fact that the gentleman from Wisconsin has asked unanimous consent to extend his remarks and has taken up 24 pages of the CONGRESSIONAL RECORD, almost altogether in the form of an attack on Mr. Meritt and the Indian Bureau, that the speech that is referred to by the gentleman from Wisconsin should have its place in the Record, where the same people who see the state-

ment of the gentleman from Wisconsin can have the side as presented by Mr. Meritt.

Mr. CRAMTON. If the gentleman will permit, Mr. Speaker, as I understand the situation, the gentleman from Wisconsin has been making attacks upon the administration of Indian affairs and attacks upon Commissioner Burke and Assistant Commissioner Meritt—

Mr. EDWARDS. Mr. Speaker, I demand the regular order.

Mr. HASTINGS. I hope the gentleman will not press that for a moment.

Mr. CRAMTON (continuing). And the speech made by Mr. Meritt, which it is now sought to put in the RECORD, is an explanation or defense of the administration of affairs by the Bureau of Indian Affairs. I have not seen the speech. The gentleman from Wisconsin says it attacks him. Doubtless it made some response to his attacks. Now, just fair play would warrant that speech being inserted. Then let the gentleman from Wisconsin put in anything more he wants to.

Mr. FREAR. Mr. Speaker, I reserved the right to object simply for the purpose of having the entire record, as made by Mr. Meritt in California at that time, go into the RECORD. I am perfectly willing to admit that it would cost some hundred-odd dollars to print the speech, but I have no objection at all if the whole record goes in. I do not want part of it in, attacking me, without the answers to the questions there presented, and in my absence, which analyzed or corrected his statement.

Mr. LEAVITT. Mr. Speaker, in the extension of remarks made by the gentleman from Wisconsin [Mr. FREAR], none of that matter is put in. If the gentleman from Wisconsin wishes to take the responsibility of objecting to a statement by the Assistant Commissioner of Indian Affairs in reply to speeches that he has continually made on this floor, he can take that responsibility and object. This will show the country very plainly the fairness of the gentleman's position in the matter.

Mr. FREAR. Oh, well, Mr. Speaker, where I have been attacked and charged with perversion of the truth, with misrepresentation, and matters like that, I ask that all of it go into the RECORD, and not Mr. Meritt's statement, which simply attacks me. I do not refuse to permit the speech and the questions to go in. I am perfectly willing it should go in, but I want it all in, and in any trial before any court any man who would refuse to allow both sides to go in is under suspicion of unfairness.

Mr. LEAVITT. Does the gentleman object?

Mr. FREAR. I object unless it all goes in.

Mr. LEAVITT. I have not the rest of it.

Mr. FREAR. I will give it to you.

Mr. SNELL. Are there 124 pages of this matter?

Mr. FREAR. One hundred and twenty-four typewritten pages.

Mr. LEAVITT. And the gentleman from Wisconsin used 24 pages of the RECORD in his extension.

Mr. FREAR. Less than 12 pages of the RECORD in the Meritt discussion.

Mr. EDWARDS. Regular order, Mr. Speaker.

Mr. CRAMTON. Permit me to remind the gentleman that whenever he has asked permission to extend there have been no conditions attached to the extension.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from Montana [Mr. LEAVITT]?

Mr. FREAR. Mr. Speaker, I object unless it all goes in. If it all goes in, I have no objection.

NICARAGUA

The SPEAKER laid before the House a message from the President of the United States.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present. I think a President's message on this important subject should be heard by all the Members, and I suggest that they ought to be here and hear it.

The SPEAKER. The gentleman from Texas makes the point of order that no quorum is present. Evidently there is no quorum present.

Mr. SNELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 8]

Andresen	Boylan	Curry	Fort
Anthony	Britten	Davenport	Fredericks
Arentz	Butler	Davey	Funk
Auf der Heide	Canfield	Dempsey	Gallivan
Barkley	Celler	Dickstein	Gambrell
Bell	Cleary	Drane	Gasque
Berger	Connolly, Pa.	Drewry	Golder
Black, N. Y.	Crowther	Ellis	Goldsbrough
Bowles	Cullen	Esterly	Goodwin

Graham	McKeown	O'Connor, N. Y.	Sullivan
Griffin	McLaughlin, Mich.	Oliver, N. Y.	Swartz
Harrison	Madden	Patterson	Sweet
Hayden	Mead	Perlman	Swoope
Hull, Tenn.	Merritt	Phillips	Taylor, N. J.
Johnson, Ind.	Mills	Prall	Taylor, Tenn.
Kelly	Montague	Quayle	Taylor, W. Va.
Kendall	Montgomery	Rayburn	Tillman
King	Mooney	Reece	Tincher
Lee, Ga.	Morin	Reed, Ark.	Tydings
Lehibach	Nelson, Wis.	Scott	Vare
Lindsay	Newton, Mo.	Sears, Fla.	Weller
Lineberger	Norton	Seger	Woodyard
Luce	O'Connell, N. Y.	Stephens	

The SPEAKER. Three hundred and forty-two Members are present, a quorum.

Mr. TILSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The Clerk read the President's message.

[See Senate proceedings for President's message, page 1324.]

Mr. TILSON. Mr. Speaker, I move that the President's message be referred to the Committee on Foreign Affairs.

The SPEAKER. The message will be referred to the Committee on Foreign Affairs.

Mr. GARRETT of Tennessee. Will the message be printed as a document?

The SPEAKER. The regular course would be to print it as a document in a limited quantity. It would be for the House to order it in a larger quantity if it wants it.

Mr. GARRETT of Tennessee. I am not prepared to make any suggestion as to the number we will need, because I do not know how many will be printed in the regular order, but that can be taken care of later.

A SINGLE DEPARTMENT OF NATIONAL DEFENSE

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article written by myself and published in the Aero Digest on National Defense.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, by unanimous consent I am extending my remarks by publishing an article prepared by myself and published in the Aero Digest of January, 1927, relating to the proposed reorganization of all the national-defense activities under one department, so as to insure coordination, cooperation, and economy by eliminating duplication and overlapping.

The editor of this magazine, in requesting the article, limited its extent to about 5,000 words, so that the arguments are very general and lacking that illustration and citation of example necessary to satisfy the logical mind of the reader.

The article is as follows:

The great efficacy of air power in prosecuting war is now universally recognized. Many with vision foresaw six and seven years ago the revolutionizing power of air combat in military matters and began to agitate for increased power and resources for the air forces in procuring and maintaining adequate national defense. At first the number of such prophets was small, but they rapidly received recruits, and to-day it is impossible to provoke an argument with military or naval authorities over the great value of air weapons in warfare.

Recognizing the vast significance of this radical change in fighting instrumentalities many of the special friends of the air forces early advocated setting up a separate and independent department of national defense specially charged with air-fighting agencies. The arguments for such separate and independent departments were very strong. Manifestly the air is as different from both land and water as the land itself is different from water. Furthermore, the airplane can fight in the air above either land or water, whereas the battleship can not fight upon land, nor the Army upon the water. Upon the face of the argument there seems stronger grounds for an independent and self-sufficient air organization than there was for either a separate naval establishment or a separate Army establishment.

Perhaps the force of this argument would have prevailed except for the danger manifest from a logical application of the same proposition to other highly important fighting factors. For example, the industrial instrumentalities in conducting war, such as were mobilized by and under the War Industries Board during the World War, are essentially and logically separate and distinct functions from either land fighting, water fighting, or air fighting. Therefore, the argument could have been made, and probably soon would have been made, to set up an independent department of industry or of industrial mobilization, with its head as a member of the Cabinet, in the same way that the head of the War Industries Board was a member of a very important advisory committee that met once each week with President Wilson during the World War, and called by complimentary phrase "the war cabinet."

It is thinkable that in the future other fighting forces could have been operated and would have called for separate departments. Perhaps the ether may soon become a great medium of combat as it is now a great medium of intercourse. If the ether ever becomes an agency through which destruction may be accomplished, then it will be, perhaps, the greatest combatant factor in existence; and, by the same token, call for a separate department, such as the "department of millitary ether."

This logic made it manifest that a separate and independent department should not be established for the procurement, training, and combat of air fighting instrumentalities. For that reason there was set up an Air Corps in the War Department, and greater independence and authority conferred upon the Air Service of the Navy, so that the grievances complained of by the Army and Navy personnel engaged with aeronautics were allayed at least in part. Certainly greater efficiency will and must result from the legislation of the last session of Congress along this line. I have great confidence in the possibilities of development insured by enlisting the inventive genius of America in the aircraft industry. By increasing the principle of competition from the time the first line is drawn in designing until the last lick is struck in actual construction of airplanes, the benefits of competition are preserved. Publicity is insured at every stage. The man with brains and genius, even though he be poor and without financial backing, and without influential political friends, may still have the product of his engineering skill considered; and, if his ideas be superior, have the assurance that they will be accepted and that he will receive financial reward for his effort.

But in connection with the question of strengthening and developing aircraft in the Army and the Navy, there naturally and logically develops the whole problem of national defense. There was no escape from the suggestion to a logical mind that if it were unwise to add another independent department, with a secretary of air in the Cabinet, because such increase would multiply confusion and surely involve chaos amongst the forces for national defense, then, why not accept the other alternative and consolidate all the fighting agencies of the Nation under one single department of national defense? If three separate and independent departments are too many, then, why are two such separate departments also not too many? If the air, as a fighting element, be entirely separate and distinct from both land and water, and yet does not deserve a separate department, why should there be separate departments for the forces fighting on land and water?

These quotations go to the heart of the matter, and through arguments such as historic precedent, long-standing custom, and irrepressible jealousies have been made against the reasonable and fairness of this logic, I believe the force of these questions will persist until they shall have appealed to the minds of the vast majority of our citizens interested in the broad question of national defense. And when these questions shall arise, those citizens who are disinterested and are primarily concerned with but two phases of national defense, to wit, efficiency and economy, then they will conclude that one single department is the final solution of the matter.

We must bear in mind at all times the point of view of the citizen who is the taxpayer and who foots the bills in both peace and war and who in time of war must also do his part of the fighting. These citizens, men, women, and children, are concerned with national defense as a single and integral problem, to wit, protecting our shores from invasion and preserving our rights upon the high seas. As a Nation we have no aggressive purpose. This Republic of free citizens will never consent to enter upon a career of conquest and military glory. But they are just as firmly resolved that their Nation's independence and their international rights shall be protected. Therefore the citizens as a whole are not interested in the Navy itself, nor in the Army by itself, nor in the air force by itself, but they are interested in the combined result and effect of the joint activities of all of these agencies. They pay their taxes not merely to have a large and beautiful Navy to admire as one would admire a rose garden. They pay their taxes not merely to have a splendid army to execute beautiful parades on memorial occasions. They pay their taxes not merely to be thrilled with the daredevil stunts of aviators from either the Army or the Navy; but the 115,000,000 citizens engaged in professions, commerce, finance, industry, transportation, agriculture, mining, forestry, and all the other varied pursuits, pay their money into the Public Treasury to be expended by Congress for whatever agency will insure national defense. If any agency becomes ineffective and useless, the taxpayers expect us to abolish it. If any new agency arises that will assist to make safe our Nation against invasion and our international rights against infringement, the taxpayers expect Congress to adopt such new agency and to employ it as a fighting force.

Therefore the people are asking the question of Members of Congress as to why there should be two departments devoted to the same and single mission of national defense. It is true one is a land agency and the other is a water agency, but each of them has within its body an air fighting agency. The people want to know why there should not be a single man charged with the special and exclusive function of considering the whole problem of national defense, whether by land or water or air or ether or otherwise, and to so coordinate and correlate

these separate instrumentalities as to compel their harmonious and effective cooperation in time of peace and in preparing and in training for war, so that when war comes they may the more effectively accomplish the common mission of insuring national defense.

But some one may say that the President is this single individual person responsible under the Constitution for compelling the coordination and cooperation of all the fighting agencies of the country. Be it so. But it must be remembered that the President is in like manner the industrial chief, the economic chief, the financial chief, the sociological chief of the Nation, and the constitutional head of all the departments of the Government. Furthermore, the President is not ordinarily selected with reference to his knowledge of and ability in problems of national defense. History shows that the people of this peaceful Republic select as Presidents men that manifest special concern over economic problems, and it would be rare, indeed, to find one man whose reading, observations, and life activities have intimately touched both the defense problems and the economic problems of the Nation.

In like manner it has been objected that it will be humanly impossible for one Cabinet officer, to wit, the secretary of national defense, to comprehend and to administer all the activities that would be included in a department of national defense if it comprised water, land, and air fighting agencies. There is a logical fallacy in the thinking and argument of those that oppose a single department of national defense when they say that the President can and does do for the conflicting and divergent claims and conduct of the Army and the Navy what we insist a secretary having authority over both the Army and Navy should do, and yet at the same time these objectors say that no single man can have the brain power to oversee both the Army and the Navy. If they expect the President to oversee both the Army and the Navy, and also all the other vast and countless activities of the Nation at the same time, and as the President is only one human being, so they surely will admit that one other man can be found at the same time capable of bearing at least a part of this mighty burden of the President.

And there is where the crux of the argument is. The secretary of the single department of national defense would be the advisor to the President in all military matters and would execute the powers of the President in the name of the President. Of course, this secretary would not be expected to administer the details of either the Army or the Navy any more than the present Secretaries of War and of the Navy administer details. They sign hundreds and thousands of orders and letters that are prepared for them. They delegate vast powers to subordinates to be executed for them. But we need a single head of all fighting forces to decide conflicts between them, to prevent overlapping of activities, to eliminate duplications, and thus to save many millions of expense. Such unified control of the fighting forces of the Nation would so train them to our mutual coordination and cooperation in peace time as to insure more effective joint action in war.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. TILSON. Mr. Speaker, I ask unanimous consent that the business of Calendar Wednesday next may be set aside so that we can go on with the independent offices appropriation bill.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that the business of Calendar Wednesday be dispensed with. Is there objection?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15959, the independent offices appropriation bill, and pending that I suggest to the gentleman from Louisiana [Mr. SANDLIN] that we do not limit general debate at present, but go on and agree to that later.

Mr. SANDLIN. That will be agreeable to me.

Mr. WOOD. Mr. Speaker, I ask unanimous consent that the time be equally divided, to be controlled one half by myself and the other half by the gentleman from Louisiana.

The SPEAKER. The gentleman from Indiana asks unanimous consent that the time for general debate be equally divided, one half to be controlled by himself and the other half by the gentleman from Louisiana. Is there objection?

There was no objection.

The motion of Mr. Wood was then agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. BEGG in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read the title, as follows:

A bill (H. R. 15959) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1928, and for other purposes.

GENERAL STATEMENT

Mr. WOOD. Mr. Chairman and members of the committee, before discussing in detail and at length the appropriation bill now under consideration, I desire first to make a few observations which I think are of importance with reference to the state of the Union, because all matters of political nature affect the welfare of the United States and are of some importance. In the campaign that closed upon the 2d day of November the election of the membership to this House was so overshadowed by the contests made in the election of Members to the other House that a correct picture has not yet been presented to the country. For the purpose of bringing now to the attention of the House and also to the attention of the country the significance of that election, I shall digress for a few moments from the discussion of the details of the bill.

REPUBLICAN REPRESENTATION

The extent of this year's Democratic landslide, I am bound to admit, is in keeping with the signs and portents that a year ago enabled one Democratic seer at least to forewarn us of the bleak outlook for the future. Who does not remember the unalloyed delight of my esteemed colleague, Chairman OLDFIELD, of the Democratic Congressional Committee, when in a mayoralty contest on November 3, 1925, Tammany Hall again carried New York City, and on that identical and epoch-marking day a Democratic congressional district in Kentucky again went Democratic? These clouds on the Republican horizon—in very truth no larger than a man's hand—to the prophetic eye of the gentleman from Arkansas betokened Republican disaster in general and the election of a Democratic House in 1926 in particular. In all candor, I ask you, why should not my distinguished friend from Arkansas see in the results of the recent election an overwhelming Democratic victory?

Nevertheless, in the interest of historical accuracy, I am in duty bound to put some facts in the Record which show quite the contrary, though they must not be misconstrued as an attempt to convince my respected colleague nor to dampen his ardor. Like the man who remarked after his feet were cut off, that "the darned things were always cold anyway," his optimism is everlasting, irrefragable, and overflowing. It would be a shame to attempt to disturb it.

But to get down to the facts, quite obviously the recent congressional elections were decided along national lines—upon the record of the Republican national administration and the Republican Congress. Political history shows conclusively that candidates for the House, to a much greater extent than all other candidates for public office, are removed from the pitfalls of extraneous issues, and, aside from the personal equation, stand or fall with the trend of national sentiment, as is entirely proper in a representative form of government such as ours.

This was never more true than in the last campaign. Republican candidates for the House, from Maine to the Pacific coast, stood upon the record of their party. The party literature sent broadcast throughout the country reviewed it in detail. Republican speakers and writers everywhere told the story of Republican accomplishments. Told of confidence restored in the face of world-wide unrest and apprehension. Of rehabilitation in governmental affairs following a period of unparalleled disarrangement and disorder. Of national debt reduction going hand in hand with tax reduction. Of economy and good government growing out of a heritage of waste and mismanagement. Of prosperity more general than ever before enjoyed by this or any other people since history began. [Applause on the Republican side.]

Granted that there are still inequalities that should be cured—that all problems have not as yet been solved—it is still a truth, patent and incontrovertible, that no other people on the face of the globe are better housed, better clothed, or better fed than the American people. That no other people have so high a standard of living, or ever have had. That no other people as a whole enjoy such educational advantages or are so able to follow their individual tastes in the way of travel, relaxation, and recreation, or to indulge in luxuries considered only a few short years ago as beyond the reach of all but the favored few.

Government in itself alone can not cure all ills and create all prosperity, but it can help, and it is an insult to the intelligence of the American people to tell them there has not been a wise administration of public affairs coincident with such material evidences of their advancement and well-being.

Gentlemen of the House, the record of the Republican Party in the fiscal affairs of the Government alone is more than enough to entitle it to favorable consideration in the face of every claim the Democratic Party has been able to advance.

Following the Civil War the United States was left with a bonded indebtedness of three billions of dollars, a gigantic burden at that time, yet within 10 years the Government, under Republican administration, without resorting to loans and at the same time meeting its ordinary expenses, had reduced the principal \$888,000,000 and had refunded the balance at lower interest rates. Within 19 years after the Civil War, during all of which period the Republican Party had been in continuous control, the debt had been reduced by nearly one-half. Well could the Secretary of the Treasury, in his annual report in 1884, say that in the management of its debt the United States had been an example to the world.

Yet splendid as was this performance, how small it seems when compared with what has been done in the way of reduction of the national debt since the close of the World War. Our national debt at the close of the World War was over twenty-six and one-half billions of dollars. In five years after the ascendancy of the Republican Party to power this debt was reduced \$6,000,000,000, or twice what the national debt was at the close of the Civil War. Never in the history of recorded time has there been such an example of financing. [Applause on the Republican side.]

Well could Republican speakers and writers in the last campaign review this unparalleled achievement and point with pride to the fact that this enormous reduction of the interest-bearing public debt under Republican administration, with coincident reduction in interest charges and in the annual routine expenditures of the Government, had gone hand in hand with a total tax reduction of over \$1,700,000,000, and the removal from the rolls of Federal-tax payers of 2,300,000 American citizens, made up of those least able to share the burden.

It is fresh in the memory of the American people, my Democratic friends, how in the recent campaign you sought for an issue and found none. How, early in the campaign, you proclaimed that the tariff would be the issue, only to retire from your traditional ground in disorder and dismay before the first Republican onslaught. For never had the facts so controverted you. Never has the Republican protective-tariff policy emerged from a political campaign so thoroughly engrounded in the minds of the American people as the only safe policy for their Government to pursue. [Applause on the Republican side.]

And in the face of these facts and the dire predictions of Democratic leaders that the next House would be Democratic, what happened? A greater number of Republicans were elected to the House than in any previous off-year election in a quarter of a century. A greater number were elected, with one exception, than in any previous off-year election since the birth of the Republican Party. [Applause on the Republican side.]

It is axiomatic in politics that the off-year election is the zero hour for the party in power, and that an off-year slump, unless it reaches extraordinary proportions, indicates nothing in particular except the apathy of the voters, when they are not aroused by the excitement of a presidential contest. The returns of the last election offer no comfort to an ever-hopeful opposition. Rather they indicate that the country is so well satisfied with the Republican administration that, contrary to all precedent, not even the apathy of a nonpresidential year could cut down the Republican majority in the House in an appreciable degree, for it will be borne in mind that elections to the House are held in every district in the country, making them distinctly national in scope, and that any change in sentiment toward the national administration is more likely to be reflected in them than in any other elections held that year.

Searching the record, I find that the net loss sustained by the Republicans in the 1926 elections was less, and considerably less in all but one instance, than that sustained by either party in power in the off year for a period of over half a century. I will here submit a table, based on data compiled by the Clerk of the House of Representatives, showing the gains and losses of the two parties in off-year elections beginning with 1874. Where there was a change of apportionment in the House of Representatives taking effect the same year as the off-year election it is noted. The table is as follows:

Year	Republican	Democrat	Third party
1874 (middle of Grant's last term).....	96 loss.....	93 gain.....	3 gain.
1878 (middle of Hayes's administration).....	9 loss.....	6 loss.....	15 gain.
1882 (middle of Garfield-Arthur administration)	33 loss.....	70 gain.....	
House gained 32 in membership because of reapportionment on basis of new apportionment.			
1886 (middle of Cleveland's first administration).....	11 gain.....	12 loss.....	1 gain.
1890 (middle of Harrison's administration).....	83 loss.....	75 gain.....	14 gain.
1894 (middle of Cleveland's second administration).	120 gain.....	116 loss.....	6 loss.

Year	Republican	Democrat	Third party
1898 (middle of McKinley's first administration).....	21 loss.....	29 gain.....	9 loss.
1902 (middle of McKinley-Roosevelt administration).....	9 gain.....	25 gain.....	
1906 (middle of Roosevelt's administration).....	28 loss.....	28 gain.....	
1910 (middle of Taft's administration).....	57 loss.....	56 gain.....	2 gain.
1914 (middle of Wilson's first administration).....	66 gain.....	59 loss.....	10 loss.
1918 (middle of Wilson's second administration).....	21 gain.....	19 loss.....	2 loss.
1922 (middle of Harding's administration).....	75 loss.....	75 gain.....	
1926 (middle of Coolidge's administration).....	8 loss.....	13 gain.....	

The figures for 1902 in the foregoing table, when a Republican President was in the White House, show an apparent gain of 9 for the Republicans, but it will be noted that the Democratic gain was 25, and that this apparent discrepancy is accounted for by the fact that in that year the House gained 29 in membership by reason of a new apportionment and that the Republican gain was 16 less than that of the opposition.

The Republicans suffered a heavy loss in 1922, according to the figures, but, nevertheless, they carried the House that year by an enormous majority in the aggregate country-wide vote, and the major part of their loss was of seats picked up in the unprecedented Republican landslide of 1920 which had been consistently Democratic, notably in the border States of the solid South and New York City districts controlled by Tammany. It takes a mighty wave of resentment to sweep such seats from their traditional moorings, and it was a foregone conclusion that the Republicans would lose them at the first off-year election, because it has become a well-established fact, that a rapidly growing body of Democrats in the near solid South and other sections traditionally Democratic, vote the Republican ticket in presidential years but yield to their inner yearnings in the off year and take a chance on some candidate for the House of their own party, on the assumption, doubtless, that he will be powerless to interfere unduly with the successful conduct of affairs by a Republican administration.

The Democratic attitude reminds me of a fellow I once saw in a country town make a frantic race to catch a train. He came up puffing and blowing, only to see it disappearing around a curve, and when he caught his breath remarked with great apparent satisfaction, "Well, I almost made it." [Laughter.] But he was the village wag and bound to live up to his reputation in the face of disaster. As a matter of fact, as all the station loungers saw, he never had a chance to catch the train. Like our Democratic friends, he doubtless thought he had when he made his run, but, unlike them, he was ready to joke when he appreciated the situation.

In this matter our Democratic friends would have us believe they are not joking. They seem still to be serious, but unless in this marvelous age, by some strange metamorphose in the Democratic mind, failure has come to mean to them success and defeat victory, or unless by some equally strange hallucination they are relying on a Republican majority in the next House to adopt a new rule constituting 195 Democratic Members a majority of a whole House of 435, they have failed ignominiously to catch their train and might just as well joke about it. Republican magnanimity will scarcely extend so far. The Republican majority will be magnanimous, appreciating that a well-organized minority is essential to good government, but not to the extent of endangering Republican policies, under which this great country of ours has grown and prospered. It has its mandate, anew and direct from the people, to continue those policies, and continue them it will. [Applause on the Republican side.]

So my good friends across the aisle, though as the great bard says, you put forth "the tender leaves of hope," and on "the third day," or, rather, to be literally correct, on the second day of November, "there came a frost, a killing frost," I bid you not, "never to hope again," because hope springs biennially in the Democratic breast, but only for the present to cast aside vain hopes and be prepared to proceed as a well-behaved and self-respecting minority should.

Your seers misread the stars. The signs and portents did not point to a Democratic landslide in 1926, and if the record of 50 years counts for anything they point to still greater disillusionment in 1928. [Applause on the Republican side.]

With these statements of fact and pleasantries I desire to submit another thought for your serious consideration.

The American standard of wages and living is the greatest economic achievement of all time. It represents the highest level of general welfare attained by a people in all history.

This standard can not be freely exposed to the destructive competition of economic systems maintained on the basis of a lower level of reward for labor and enterprise, and endure.

Real statesmanship legislates for the future in the light of existing national conditions and tendencies. For such statesmanship there is food for serious thought in the statistics of imports and exports which show that during the calendar year 1926 the balance of trade in our transactions with foreign nations has sunk from the big figures of 1925 and preceding years to a negligible point. Yet American capital is being exported for foreign, mostly European and competitive, investment at the rate of \$2,000,000,000 a year.

The existing American tariff is inadequate to prevent an increasing foreign invasion of American markets. The foreign commercial invader is armed with a deadly weapon of cheapness attained through the sacrifice of human values in wage scales far below the American standard. The battle now going on—destined to be in increasing degree a losing one, on the whole, for American productive enterprise and labor—is a battle between living standards—between the American standard and the European and Asiatic standard. The well-understood law in the realm of finance that the cheaper money will inevitably drive out the better has its counterpart in the law that the lower standard of living must inevitably overcome the higher standard, if such standards are placed in direct competition. Our national recognition of this law is found in our immigration laws—especially the laws prohibiting coolie immigration.

American industries are feeling keenly the effect of growing foreign competition. Our seaboard markets are being captured by the foreign invader. This affects seriously not merely the seaboard but the internal producer, since ocean freight rates are lower than rail rates, and commodities can be hauled more cheaply from Europe or Asia to the United States than from Middle West points to Atlantic or Pacific ports. This affects agricultural as well as manufactured commodities. It is one of the important factors in agricultural depression certain to be greatly increased if imports continue to grow at their present or an accelerated pace. If American industry to-day had the market represented by imports we are in position to supply from our existing plants, there would be no farm surplus, because employed Americans could consume all the American farm produces.

Foreign goods are sold in the United States just enough below the price which must be charged by an American industry paying the American wage scale and American raw-material prices, to take the market. Instead of our selling surplus production abroad, the alien producer is beginning to sell his surplus production here.

Now, what does this mean? The displacement of American by foreign production simply means the displacement of American by foreign employment. It means the stopping of American pay envelopes in favor of foreign pay envelopes. It means that we must shut up shop in industry or scale our wages, and therefore our living standards, and therefore our consumptive capacity, to the foreign level. This process has already started. Our present personal credit situation has developed on the basis of high wage scale production and steady employment. Halt this and our prosperity will end. Prosperity is an endless chain which passes from consumer to producer and producer to consumer. Break one link in that chain and all the wheels cease turning. Create a condition in industrial America where the worker can not meet the payments on his house, his motor car, his radio, and the other comforts and luxuries known only in great quantity in the United States, and we will have a serious industrial, political, and social problem.

What is the American consumer getting out of this increasing flood of foreign merchandise? Nothing to his advantage. It is put into circulation at prices which only shade slightly American production costs, but which can be cut to any extent necessary to undersell American production. What would be the effect of such displacement? The control of our markets by foreign price-fixing combinations which, in the absence of home production, will be able to exploit the American market to the limit of endurance.

The American people should not wait until depression has come upon them before realizing and finding means to avert this growing danger. The American people can not afford to let this condition drift to the point where an industrial and financial depression has been brought upon them.

No one can study the growing rising tide of importations in its relationship to loss of capital and loss of employment in many American industries without being aroused to the gravity of this situation, and the imperative necessity of doing something about it.

Is it not well, therefore, for us to consider the importance of further protecting the American market for the American people. [Applause on the Republican side.]

INDEPENDENT OFFICES APPROPRIATION BILL
APPROPRIATIONS AND ESTIMATES

The Budget estimates upon which this bill is based were submitted by the President in the Budget for the fiscal year 1928 and will be found in detail in Chapter II of that document, pages 29-108, inclusive. In addition to the estimates submitted in the Budget, supplemental estimates for the ensuing fiscal year aggregating \$14,000 were referred to the committee for consideration. The total of the regular annual and supplemental estimates submitted for consideration in connection with this bill is \$512,964,641.

The total appropriations for the independent offices provided for in this bill for the fiscal year 1926 amounted to \$513,504,936.64.

The amount recommended to be appropriated in this bill for the fiscal year 1928 is \$512,901,808, which sum, compared with the regular annual appropriations for 1927 and the estimates for 1928, is as follows:

It is \$603,128.64 less than the total of 1927 appropriations, and it is \$62,833 less than the total of the estimates submitted for 1928.

In addition to the appropriations above mentioned permanent annual and indefinite appropriations made without annual action by Congress for the fiscal year 1928 are as follows:

Permanent annual appropriations

Relief of indigent in Alaska	\$15,000
Federal Board for Vocational Education	7,367,000
Federal Power Commission	10,000
Smithsonian Institution	60,000
Total	7,452,000

ALIEN PROPERTY CUSTODIAN

The aggregate value of all property that has been handled by the office of the Alien Property Custodian since its inception is \$602,153,457.34. Of this amount \$330,615,390.45 has been returned in the payment of claims allowed by the Department of Justice and the Alien Property Custodian, there remaining to be returned properties with an aggregate value of \$271,537,866.89. There are 649 pieces of real estate held by the Alien Property Custodian, situated in almost every State in the Union. The following statement indicates the number and disposition of all claims filed as of November 30, 1926:

Number and disposition of claims

Total number of claims filed	37,267
Disposition of claims:	
Suits under section 9	632
Allowed by Attorney General	6,582
Disallowed by Attorney General	1,425
Pending before Attorney General	265
Allowed by Alien Property Custodian	21,446
Disallowed by Alien Property Custodian	795
Withdrawn	925
Canceled	2,104
Referred to liquidator	444
Pending in office procedure	2,469
Total	37,267

AMERICAN BATTLE MONUMENTS COMMISSION

The \$3,000,000 program of the American Battle Monuments Commission to provide for the erection of suitable memorials commemorating the services of the American soldier in Europe is well under way. It is planned to erect 8 chapels and 14 monuments in Europe, and contracts for the services of architects have been made for each of the chapels and 6 of the monuments. The chapels are to be erected in the eight American cemeteries abroad, and the following statement gives their location, the number of graves in each cemetery, and the estimated cost of the chapel to be erected:

Location	Number of graves	Estimated cost of chapel
Waereghem, Belgium	365	\$50,000
Bony, France	1,826	90,000
Suresnes, France	1,506	100,000
Fers-en-Tardenois, France	5,946	140,000
Belleau, France	2,212	110,000
Thiaucourt, France	4,141	140,000
Romagne, France	14,107	300,000
Brookwood, London, England	400	70,000

For general information the committee submits the following statement concerning deaths in the American Expeditionary Forces during the World War:

1. Total number killed in action	36,694
2. Total number who died from wounds	13,691
3. Total number of deaths from disease and other causes not directly related to battle	23,998
Total deaths from all causes	74,383

It may be of further interest to know the 10 leading causes of deaths shown in item 3 above, which are as follows:

1. Primary pneumonia	8,483	6. Bronchitis	392
2. Influenza	7,366	7. Measles	358
3. Tuberculosis	1,238	8. Railroad accidents	309
4. Military weapons	1,015	9. Air-machine accidents	194
5. Epidemic meningitis	802	10. Appendicitis	194

The committee has inserted authority in the paragraph of appropriation enabling the American Battle Monuments Commission to prepare and publish a guidebook detailing the operations of the American Expeditionary Forces in Europe. This book will be sold through the office of the Superintendent of Documents, and it is believed will be in great demand in view of the contemplated visits abroad by many members of the American Legion.

ARLINGTON MEMORIAL BRIDGE

The committee recommends an appropriation of \$2,500,000 for continuing the construction of the Arlington Memorial Bridge across the Potomac River at Washington. The bridge as designed will be a low, level, segmental arch bridge with nine arches, the center span being 185 feet long. The work is progressing satisfactorily, the abutment on the east side having been excavated and concrete is being poured in. The substructure of the first pier is practically completed, the second pier has been excavated and is ready for concrete, and work on the third pier is well under way. Contracts have been let for granite for both the substructure and the superstructure. The following statement indicates the contracts which have been entered into, the character of service to be performed, the total amount of the contract, and amounts paid to date on each:

Contracts—Essential facts

Name of contractor	Character of service	Date of expiration	Amount already paid	Total amount of contract
No. 1. H. P. Converse Co.	Constructions of piers and abutments.	Oct. 19, 1927	\$237,628.30	\$1,229,000.00
No. 2. Pennsylvania R. R. Co. (completed).	Building side-track connection.		(?)	3,000.00
No. 3. Stone Mountain Granite Corporation.	Granite for bridge.	July 23, 1927	\$42,427.15	300,500.00
No. 4. North Carolina Granite Corporation.	do.	July 1, 1929		1,520,133.00
No. 5. G. B. Mullin Co. (completed).	Buildingside-track.	July 3, 1926	15,255.22	15,255.22
No. 6. McKim, Mead & White.	Architects.	Nov. 17, 1935	26,303.04	60,000.00
No. 7. W. J. Douglas.	Consulting engineer.		18,334.32	47,500.00

¹ Rebate of \$2.50 to be paid by railroad company for each car carried on track on which freight charges are \$15 or more, until cost of connection is reimbursed.

² Supplement contract dated June 11, 1926, increasing consideration from \$8,772.50 to \$15,255.22.

³ And expenses.

⁴ Per year and expenses.

BOARD OF TAX APPEALS

In discussing some of the more important changes recommended by the committee, I wish to direct your attention to the appropriations for the Board of Tax Appeals. For 1928 the committee recommends an appropriation of \$712,780, as follows: \$682,740 for salaries and expenses and \$30,040 for printing and binding. This sum exceeds the amount available for the current year by \$98,555.36, and is \$142,780 in excess of the Budget estimate. Decisions of the Board of Tax Appeals are used in the same manner as court reports, and the printing and binding of these decisions that they may be of value as precedents is apparent. That an appropriation in excess of the Budget estimate is required is best evidenced by the fact that the last volume of printed decisions of the board was issued in November, 1926, which volume includes decisions on cases up to November 11, 1925. In other words, these volumes are just a year behind, and if the precedents are to be of any value they should be made available as promptly as possible. With respect to the appropriation of \$682,740 recommended for salaries and expenses, this sum exceeds the Budget estimate by \$135,780. On December 1, 1926, there had been filed a total of 21,640 tax-appeal cases, involving an aggregate of \$346,000,000. Of this number of cases, the Board of Tax Appeals has been able to dispose of but 8,000, with an aggregate value of approximately \$128,000,000. With more than 13,000 cases pending and

others being submitted at the rate of 20 to 30 per day, it is evident that additional personnel of the proper kind is a real necessity. It has been estimated that with 12 additional higher-type employees this accumulation of 13,000 cases can be disposed of within three or four years. To enable the Board of Tax Appeals to secure this higher-type personnel, consisting of expert accountants and income-tax lawyers, the committee has recommended that not to exceed 12 may be employed at rates of compensation to be fixed by the board, but not in excess of \$7,500 each. Additional clerical help will also be required, which personnel will be supplied by the civil service and paid in accordance with the classification act. A certain amount of revenue is obtained through this organization, in that the revenue act of 1926 provided for the imposition of a \$10 fee in each case filed and heard, and the total amount received from this source since April, 1926, is \$143,267.35. To afford relief to the taxpayers and to aid the Board of Tax Appeals in disposing of the cases accumulated, the committee feels that the appropriation recommended is not excessive, but consistent with good business practice.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. BLAND. Is that authorized in the law?

Mr. WOOD. What?

Mr. BLAND. The employment of these experts.

Mr. WOOD. The salaries of the clerical force of the Board of Tax Appeals are fixed under the reclassification act, and that is just the trouble about it. You can not get the character of men who are fit to sit as examiners for the purpose of ascertaining the technical points involved in these appeals for the amount of money that can be paid under that act. In order that their decisions might be available—and they have only one such expert—in order that they may be able to give the best satisfaction, we have done this; and I wish to say, in passing, that the Committee on Ways and Means feels a very vital concern in the action of this Board of Tax Appeals. So great was their interest in the matter that the gentleman from Iowa [Mr. GREEN], chairman of the Committee on Ways and Means, and the gentleman from Texas [Mr. GARNER], the ranking Member on the minority side, came before us and very urgently recommended that this action on the part of the committee be taken.

Mr. BLAND. In other words, this is legislation on an appropriation bill, but it has been taken up by the Committee on Ways and Means.

Mr. WOOD. Yes.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. BYRNS. Of course, I understood the statement made by the gentleman before the Committee on Appropriations, but I think it would be well to have the record show the facts, as I understand them. Has the gentleman assurance from the Treasury Department that these six men who are to be employed at \$7,500 per year will be new men, or is this sum to be used to promote some people who are now serving at a less salary?

Mr. WOOD. We have the assurance of the chairman of this board that these increased salaries will be for the purpose of employing experts from outside. If the authority is abused, we shall find it out at the next examination.

BUREAU OF EFFICIENCY

The committee recommends an appropriation of \$210,000 for the general expenses of the Bureau of Efficiency for the fiscal year 1928. During the past year the bureau conducted a number of investigations, resulting in large savings to the Government through the adoption of the recommended improvements in the method of conducting the business of various offices, and at present is engaged in a large number of important investigations, with requests pending for assistance in excess of the capacity of the present organization.

CIVIL SERVICE COMMISSION

Appropriations recommended in the accompanying bill for the Civil Service Commission for the fiscal year 1928 aggregate \$1,007,442, an increase of \$4,700 over the Budget estimates. Of this increase, it is proposed that \$2,500 shall be used for the compensation of the commissioners, and provision is made in the bill placing their salaries at \$7,500 each. The following statement indicates the volume of work of the Civil Service Commission for the past 10 years:

The Civil Service Commissioners are receiving now an average salary of \$6,667. Every other branch of the Government of equal importance pays the head thereof a larger salary, and it appeared to the committee that it was only consistent and

fair that the salaries of these gentlemen should be raised to the amount that we have indicated, commensurate with their responsibilities and the necessity of the increased cost of living.

Mr. CHINDBLOM. Will \$2,500 give each of them an increase?

Mr. WOOD. Yes; there are three of them.

Mr. SANDLIN. Mr. Chairman, if the gentleman will permit, I think the gentleman will find that the salaries of these people at the present time is at the rate of \$6,667 per annum.

Mr. WOOD. What the gentleman from Louisiana states is correct.

I set forth here at this time a very interesting table showing the number of persons examined and the civil-service list of employees by various Government establishments, indicating the number in and outside the District of Columbia:

Items of work, United States Civil Service Commission, by fiscal years

Item	1916	1918	1920	1921	1922
Persons examined	168,221	617,894	325,270	328,336	244,287
Persons appointed in classified service	42,057	213,530	116,309	101,711	63,867
Different kinds examinations held, exclusive of trade positions	367	656	917	1,129	1,002
Original military preference claims	597	894	61,371	72,883	67,731
Communications received	1,716,328	1,829,079	1,014,420	1,178,369	1,206,454
Retirement cases				6,745	1,719
Continuance cases				3,086	1,127
Unclassified employees	1,141,131	1,275,328	1,193,513	1,149,371	1,140,175
Classified employees	296,926	1,642,432	1,497,603	1,448,112	1,420,683
Employees in executive civil service	438,057	1,917,760	1,691,116	597,482	560,863
Commission's employees	289	1,898	613	584	549

Item	1923	1924	1925	1926
Persons examined	229,640	248,236	216,135	221,658
Persons appointed in classified service	57,094	67,349	50,164	38,916
Different kinds examinations held, exclusive of trade positions	962	983	979	978
Original military preference claims	54,305	58,127	58,785	47,858
Communications received	1,061,836	1,091,185	1,130,202	1,050,662
Retirement cases	2,473	2,082	2,093	1,895
Continuance cases	1,604	1,565	2,085	2,045
Unclassified employees	137,133	139,393	141,180	138,405
Classified employees	411,398	415,593	423,538	422,300
Employees in executive civil service	548,531	554,986	564,718	560,705
Commission's employees	519	498	467	460

¹ Estimated.

² No railway postal clerk examination held.

For general information the following statements are submitted, showing the number of employees in each branch of the Federal executive civil service on June 30, 1926, with totals for November 11, 1918 (armistice date), and later dates, comprising classified and unclassified (which includes presidential) positions:

Number of employees in Federal executive civil service¹

Department or office	June 30, 1926						Total
	In District of Columbia			Outside District of Columbia			
	Men	Women	Total	Men	Women	Total	
The White House	41	3	44				44
State	317	292	609	2,878	826	3,704	4,313
Treasury	6,510	8,252	14,762	30,247	6,610	36,857	51,619
War	2,403	2,172	4,575	39,730	4,463	44,193	48,768
Justice	615	221	836	2,371	556	2,927	3,763
Post Office	3,108	810	3,918	275,787	26,280	302,067	305,985
Navy	3,904	1,140	5,044	36,062	2,304	38,366	43,440
Interior	2,329	1,269	3,598	9,210	1,927	11,137	14,735
Agriculture	2,864	1,928	4,792	13,933	2,128	15,061	20,753
Commerce	2,700	1,665	4,365	9,720	743	10,463	14,828
Labor	280	387	667	2,702	613	3,315	3,982
Government Printing Office	3,227	850	4,077				4,077
Smithsonian Institution	378	128	506				506
Interstate Commerce Commission	1,025	321	1,346	459	2	461	1,807

¹ Does not include legislative or judicial services, nor the commissioned, warranted, or enlisted personnel of the military, naval, Marine Corps, or Coast Guard services, nor the government of the District of Columbia. The Railroad Labor Board, formerly included, was abolished by act of Congress May 20, 1926.

² Approximated.

³ Includes 13,200 clerks at third-class offices, 203 screen-wagon contractors, 295 carriers for offices having special supply, 5,578 clerks in charge of contract stations, 11,054 star-route contractors, and 282 steamboat contractors. Does not include 35,411 clerks at fourth-class offices who are employed and paid by the postmaster, and 21,773 mail messengers not included in previous computations.

Number of employees in Federal executive civil service—Continued

Department or office	June 30, 1926						Total
	In District of Columbia			Outside District of Columbia			
	Men	Women	Total	Men	Women	Total	
Civil Service Commission	135	206	341	68	58	126	467
Bureau of Efficiency	32	16	48				48
Federal Trade Commission	222	95	317				317
Shipping Board	505	308	813	531	160	691	1,504
Alien Property Custodian	132	120	252				252
Tariff Commission	118	72	190	12	2	14	204
Employees Compensation Commission	20	49	69				69
Federal Board for Vocational Education	35	40	75				75
Panama Canal	61	14	75	9,060	444	9,504	9,579
Public Buildings and Parks, National Capital	1,929	524	2,453				2,453
General Accounting Office	1,179	788	1,965				1,965
Veterans' Bureau	1,464	3,103	4,567	12,239	7,591	19,830	24,397
Railroad Administration	73	40	113	6	2	8	121
Commission of Fine Arts	2		2				2
War Finance Corporation	46	34	80	57	34	91	171
National Advisory Committee on Aeronautics	12	12	24	122	9	131	155
Federal Reserve Board	98	88	186	18		18	204
Board of Tax Appeals	41	61	102				102
Total	35,805	25,006	60,811	445,142	54,752	499,894	560,705

* Includes administrative offices of Emergency Fleet Corporation, but not workmen at shipyards or in warehouses or employees on vessels.

† Positions not subject to the civil service act.

War expansion and reduction since armistice

Date	In District of Columbia	Outside District of Columbia	Total
June 30, 1916	39,442	398,615	438,057
Nov. 11, 1918	117,760	1,800,000	1,917,760
July 31, 1920	90,559	1,600,557	1,691,116
July 31, 1921	78,865	518,617	597,482
June 30, 1922	69,980	490,883	560,863
June 30, 1923	66,290	482,241	548,531
Dec. 31, 1923	65,025	479,646	544,671
June 30, 1924	64,120	490,866	554,986
Dec. 31, 1924	66,079	489,540	555,619
June 30, 1925	63,756	500,962	564,718
Dec. 31, 1925	61,509	486,548	548,057
June 30, 1926	60,811	499,894	560,705

† Approximated.

GENERAL ACCOUNTING OFFICE

For salaries in the General Accounting Office the committee recommends an appropriation of \$3,575,000. This sum is \$50,000 in excess of the Budget estimates, and it is proposed to use this increase in providing additional compensation to employees of the Accounting Office. The general average salary of some of the employees in this establishment is below the general average of other Government institutions, and the committee is of the opinion that some relief should be given.

INTERSTATE COMMERCE COMMISSION

Appropriations for the various activities of the Interstate Commerce Commission for the fiscal year 1928, compared with the estimates submitted in the Budget, are as follows:

	Budget estimates, 1928	Recommended appropriation, 1928
Salaries	\$139,500	\$139,500
General expenses	2,384,639	2,460,600
Regulating commerce	1,023,205	1,315,000
Safety of employees, etc.	488,824	515,824
Signal safety systems	141,756	148,320
Locomotive inspection	470,418	493,850
Valuation of property	1,308,325	2,363,214
Printing and binding	150,000	175,000
Total	6,104,967	7,811,314

It will be noticed that in almost every instance the committee recommends a substantial increase over the Budget estimates.

GENERAL EXPENSES

Car loadings for the years 1924, 1925, and 1926 were, respectively, 48,374,000, 50,934,000, and 53,000,000. In other words, car loadings of revenue freight for 1926 have averaged over 1,000,000 a week, which is the greatest number on record. This increase in the volume of traffic represents the increased business and prosperity of country but at the same time results in more work for the Interstate Commerce Commission, as indicated by the increased number of formal proceedings filed. In 1924 there were 1,659 formal proceedings before the commission; in 1925, 1,780; and in 1926, 1,809. The formal docket section, provided for under the general expense appropriation of the commission, handles these cases, including the proposals of carriers to increase their rates from time to time. Upon the complaint of a shipper these proposed increases may be suspended by the commission, but, under the terms of the act, can not be suspended for more than 120 days. These cases are known as suspension cases and must be handled within 120 days. As opposed to that, there are the formal docket cases of the shippers, who are undertaking to get better rates or a better relationship of rates to enable them to compete in the commercial world. To dispose of a formal proceeding of this character takes on an average of 635 days, as compared with an average of 109 days for suspension cases. The less important or board cases, which pass through a section of the bureau of formal cases before consideration by the commission, take an average of 483 days.

I will state to the committee that the representatives of the shippers and transportation associations from all over the United States, from the Pacific coast to the Atlantic and from the Lakes to the Gulf, appeared before the committee and gave us concrete examples of the hardships to which they were subjected by reason of the fact that their appeals can not be heard, and that in most instances it takes at least two years from the time a complaint is filed until a final hearing is had, and great injury results in consequence; and because of that fact we felt that in order that the shipper might have his claim attended to with the same promptness that the transportation companies have theirs attended to, we have recommended an increase in the appropriation of \$141,940 over the amount available for this year. This sum will be expended in the employment of expert examiners and other personnel that may be necessary to expedite these cases.

BUREAU OF ACCOUNTS

For the bureau of accounts the committee recommends an appropriation of \$1,315,000, an increase of \$279,731 over the amount available for 1927. During the fiscal year 1926 there were docketed a total of 1,413 recapture examination cases, of which 314 were disposed of. It is estimated for the current fiscal year there will be a total of 1,549 cases to be considered, of which all but 810 will be completed. The purpose of the increase in the appropriation, therefore, is to enable the commission to more nearly bring this work current. The work of the bureau of accounts consists of the recapture of excess earnings under section 15a of the transportation act, the policing of carriers' accounts, as provided in section 20 of the interstate commerce act, and the consideration of depreciation charges for steam railroad and telephone companies. The total amount of recaptures paid up to December 1, 1926, was \$6,618,203.43, not including interest, which amounts to \$482,000. This fund is still held in trust, because a large portion of it has been paid under protest, some of which may become the subject of litigation.

LOCOMOTIVE AND SAFETY INSPECTION

The increases recommended by the committee for the bureau of safety, signal-safety systems, and the bureau of locomotive inspection, are largely to provide for increased per diem rates as provided by the subsistence expense act of 1926. The act of June 7, 1924, provided for an increased number of locomotive inspectors, for which appropriations were carried in the act for the current fiscal year. As a result of that increase in force, the number of locomotives inspected has increased from 72,279 in 1925 to 90,475 in 1926, and the number of accidents has decreased from 690 in 1925 to 574 in 1926.

BUREAU OF VALUATION

For the bureau of valuation the committee recommends an appropriation of \$2,563,214, an increase of \$1,135,254 over the amount available for 1927, and an increase of \$1,256,889 over the Budget estimates. The committee has also provided that the compensation of the director of valuation shall be at the rate of \$10,000 per annum instead of \$9,000. Since the inception of this work in 1913 there has been appropriated to date the sum of \$30,725,294. In the preparation of the appropriations for the valuation of the property of carriers two years ago the committee adopted a three-year program to complete

the primary valuation work. The fiscal year 1928 marks the third year of that program, and by the end of that fiscal year the primary valuation work will have been completed. The following statement indicates the status of the work as of December 31, 1926:

UNDERLYING REPORTS

Section	Number of report	Number of corporations	Miles of road	Per cent of total mileage
Accounting, as of—				
Oct. 31, 1921	273	444	61,731	24.89
Oct. 31, 1922	555	953	151,572	61.11
Dec. 10, 1922	570	989	153,975	62.09
Dec. 31, 1922	554	1,017	171,478	70.18
Dec. 31, 1923	937	1,572	232,694	95.22
Nov. 30, 1924	1,039	1,713	243,716	99.73
Dec. 31, 1925	1,074	1,751	244,070	99.9
Dec. 31, 1926	1,108	1,764	244,200	99.9
Engineering, as of—				
Oct. 31, 1921	443	755	133,139	53.68
Oct. 31, 1922	636	1,165	179,425	72.37
Dec. 10, 1922	657	1,199	183,259	73.93
Dec. 31, 1922	668	1,219	194,058	79.42
Dec. 31, 1923	919	1,542	228,006	93.30
Nov. 30, 1924	956	1,613	235,133	95.22
Dec. 31, 1925	1,057	1,765	243,939	99.8
Dec. 31, 1926	1,080	1,793	244,331	99.9
Land, as of—				
Oct. 31, 1921	371	565	71,558	28.85
Oct. 31, 1922	671	1,095	144,411	58.23
Dec. 10, 1922	687	1,085	146,717	59.16
Dec. 31, 1922	731	1,134	157,928	64.66
Dec. 31, 1923	1,062	1,561	225,298	92.26
Nov. 30, 1924	1,113	1,680	233,280	95.4
Dec. 31, 1925	1,123	1,764	244,045	99.8
Dec. 31, 1926	1,126	1,767	244,208	99.9

TENTATIVE VALUATION REPORTS

Section	Number of report	Number of corporations	Miles of road	Per cent of total mileage
Oct. 31, 1921	151	193	24,493	9.86
Oct. 31, 1922	287	400	39,956	16.11
Dec. 10, 1922	306	429	43,701	17.62
Dec. 31, 1922	314	437	43,780	18.92
Dec. 31, 1923	328	469	54,626	22.29
Nov. 30, 1924	385	603	82,196	33.6
Dec. 31, 1925	681	1,013	126,948	51.9
Dec. 31, 1926	929	1,417	181,350	74.2

HEARINGS COMPLETED

Nov. 30, 1924	149	182	18,003	7.4
Dec. 31, 1925	258	362	61,223	25.1
Dec. 31, 1926	479	683	108,034	44.2

At the time the bill authorizing the valuation of railroads was passed it was estimated that it would not cost more than \$4,000,000, and that it would take three years in which to put a valuation upon all the railroads in the United States. We have been working and working at it, from 1913 until 1927, and it is not yet complete. If this additional appropriation is adopted by the House, which the committee has recommended, the primary valuation will be completed within six months, and it strikes me that it is the part of good business that, having spent over \$30,000,000 for the purpose of getting this primary valuation, we ought to finish it; and if the recommended appropriation is not made, it will necessitate the laying off of a very large number of men who have become experts in this line of work, only to have their places filled later for the purpose of bringing the primary valuation to date, when it will be of the most importance to the public. The Interstate Commerce Commission tells us that all the rate fixing is based upon this valuation. Hence the very great importance of its completion.

There are some very interesting things in the hearings with reference to the magnitude and the extent of the railroad operations in this country. You will find that railroad building is practically at a standstill. A few miles have been built within the last year, but there have been as many more miles abandoned.

DISTRIBUTION OF RAILROAD EARNINGS

Here is something to which I wish to call your attention, which is interesting. Take the class I roads, which are the large trunk lines of this country, and it is interesting to see how the receipts of these roads are divided. Dividing up their receipts into days you will find the following showing:

WHERE FREIGHT RATES AND PASSENGER FARES GO

Statement published by the committee on public relations of the eastern railroads, 143 Liberty Street, New York City, on

data furnished by the Bureau of Railway Economics, Washington, D. C.:

Out of gross revenue of an entire year it took the receipts of—	
Days for wages	157
Days for locomotive fuel	27
Days for materials and supplies	70
Days for all other operating expenses	24
Days for taxes	21
Days for interest and rents (fixed charges)	41
Days for dividends	19
Days for improvements out of earnings, or to make up losses of former years, or to help create reserves against bad years in the future	6

This statement based on latest detailed figures for class I American railroads (1924). Indications are that 1925 will not alter this distribution by more than a few days.

There are in the United States 2,000,000 stockholders holding stock in railroads, including employees who are given an opportunity to purchase stock. Whatever consideration is given to this or any other legislation, it will not only immediately have its effect upon the public, but it will also have its effect upon the 2,000,000 of people who are the real owners of the railroads of this country.

SMITHSONIAN INSTITUTION

Appropriations for several of the small bureaus of the Smithsonian Institution are recommended in excess of the Budget estimates. The purpose of these increases is to provide for the promotion of employees, in order that the average salary paid under the Smithsonian Institution may more nearly equal the average of the salaries paid for similar services in other establishments of the Government. An estimate in the Budget recommended an appropriation of \$12,500 for the construction of a gallery over the west end of the main hall of the Smithsonian Building, to relieve present congested conditions, and to provide space for the collection of plant specimens. The committee concurred in this recommendation. The salary of the Assistant Secretary of the Smithsonian Institution is \$6,000 per annum. The committee recommends that it be increased to \$7,500, so long as the position is occupied by the present incumbent. The assistant secretary, Doctor Wetmore, an able and accomplished gentleman, has taken over the major portion of the duties of the secretary, Doctor Walcott, who for some time past has been in ill health, and the committee recognizing the additional responsibilities believes the increase justifiable. The sum proposed is in accordance with the classification act.

UNITED STATES SHIPPING BOARD

Now I wish to call attention to the Shipping Board and Emergency Fleet Corporation. For the Shipping Board the committee recommends appropriations in accord with the Budget estimates. The estimate of appropriation for losses due to operations under the Fleet Corporation was \$12,000,000. The committee recommends the appropriation of this sum, and in addition has made available not to exceed \$5,000,000 of the unexpended balance of the special appropriation made for this current year, to meet foreign competition and the operation of ships taken back from purchasers. The total moneys thus made available, namely, \$17,000,000, should meet the estimated losses due to operations during the fiscal year 1928.

The remainder of the unexpended balance of this \$10,000,000 appropriation is reappropriated for the same purposes of operating ships or lines of ships taken back from purchasers by reason of unjust foreign competition. An additional amendment to the language of this particular paragraph is also recommended. It is my understanding that one of the practices of the shipping world is the making of loans to lessors or operators of ships. That is, if a man leases or charters a boat, let us say, for fishing operations, and he finds that he is unable to meet his expenses or that the competition is too great, he is faced with the problem of breaking his contract and returning the vessel, or of making a loan to tide him over temporarily until he can meet the conditions confronting him. The owners of the vessel, recognizing the operator's needs, know that if the vessel is returned to them the additional cost of operation, either by themselves or the expense incident to the rechartering of the vessel, are nearly offset by the amount of the loan which would be sufficient to enable the original charterer to operate it. Choosing always the lesser of two evils, and providing the need of a loan to a responsible party is apparent, the owners of the vessel will make a loan to the charterer sufficient to enable him to continue in operation until he has overcome his competition, or until it is apparent that it is useless to continue further operation. To enable the Shipping Board to do this very thing, the committee has recommended that upon the approval of the President of the United States, loans to purchasers of ships may be made from the unexpended balance of the \$10,000,000 appropriation.

In passing I wish also to call attention to the exhaustive hearings held in connection with appropriations for the Ship-

ping Board and the Fleet Corporation. They will be found on pages 541-710, inclusive. A tabular statement setting forth the activities of the Fleet Corporation will also be found on pages 14, 15, and 16 of the report accompanying this bill.

These hearings are the fullest and most complete of any we have ever had heretofore. They give you in detail and in such a way that it is easily understood the operation of this great corporation. They show the number of routes operated, destinations, and the amount of cargo carried, both import and export, so that the magnitude of the operations is presented clearly for your comprehension.

Mr. LAGUARDIA. What is the total loss due to the operation of the fleet in this last year?

Mr. WOOD. In round numbers it is about \$17,000,000.

Mr. LAGUARDIA. Is the loss less or more than the year previous?

Mr. WOOD. The loss has been growing steadily less. On that proposition I will have something to say later.

Mr. BLAND. Has the gentleman taken into consideration the increase there will be in the loss if the provision in the Post Office appropriation bill goes through, eliminating mail contracts?

Mr. WOOD. No; we did not take that into consideration because we knew nothing about it, but I think I can relieve the gentleman's apprehensions. I do not think the matter to which the gentleman refers will finally become a law. That is my judgment. Referring again to the hearings, the activities of the various bureaus of the Shipping Board and the Fleet Corporation, personnel, claims, and operating data and information, are fully set forth, together with information relating to the office of the chief counsel and the office of the treasurer.

Mr. McDUFFIE. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. McDUFFIE. I was noticing the language on page 35 of the bill, subdivision (b), \$12,000,000.

And in addition not to exceed \$5,000,000 of the special appropriation of \$10,000,000 contained in the independent offices appropriation act for the fiscal year 1927 and reappropriated by this act.

The gentleman will recall that under that act the \$10,000,000, which was designated as a safety fund, was to be expended only on the President's approval. It occurs to me that probably you are tying the same string to this additional \$5,000,000 that you are permitting the Shipping Board to use if they need it, and undoubtedly they are going to need it or some of it.

Mr. WOOD. The gentleman's assumption is correct; but there is a difference of opinion between the Emergency Fleet Corporation and the Budget with reference to their necessities for the next year. The appropriation last year for this same purpose was \$13,900,000, and they are going to come within that sum and probably have some surplus. However, there is this to be taken into consideration: The Fleet Corporation had a number of reserve items during the last year from which they could draw to make up whatever deficiency they might have in their operating expenses, but which they can not rely upon next year, and it may be—and we have taken that for granted for the purpose of making this appropriation—that there will be a necessity for more than \$12,000,000, as recommended by the Budget. Consequently we have made available of this \$10,000,000 appropriation, to which the gentleman has referred, \$5,000,000, the same to be used by the Emergency Fleet Corporation to cover operating expenses, but they will have to make a showing to the President of the United States.

Mr. McDUFFIE. What is the purpose of making a showing to the President of the United States as to this particular fund? Why not tie a string to all of it if you are going to tie it to that \$5,000,000?

Mr. WOOD. There is this reason for it: This \$10,000,000 which we appropriated had that limitation attached. The purpose of making the \$10,000,000 appropriation originally was the fear or the possibility that some of the lines we have sold to private individuals might come back into the hands of the Emergency Fleet Corporation, and in order to cover any loss that might be incurred by reason of operating deficit the \$10,000,000 would be available by making a showing before the President. Now, then, not a cent of it has been used for that purpose; so we felt, in releasing for the Fleet Corporation's use in case of necessity the sum of \$5,000,000, the same showing should still be required, and I do not think they have any objection to that. I can not see why they should have any objection to it, because it is simply a check upon expenditures; and certainly the President of the United States, who is a friend of the merchant marine, would see that they got whatever portion of the \$5,000,000 was necessary.

Mr. McDUFFIE. It is a fact, is it not, that even with your \$13,900,000, and with the strictest economy program that the board operated under, they lacked about \$3,500,000 of having enough money last year?

Mr. WOOD. If it had depended entirely upon the appropriation of \$13,900,000, that statement might be correct, but by reason of the reserves they had, sufficient funds were available to tide them over.

Mr. McDUFFIE. What does the gentleman have to say about this suggestion of the chairman of the board? I am particularly interested in the merchant marine, and we all are, but it occurs to me that we are gradually shrinking rather than extending the service of our merchant marine, judged by the amount of tonnage we are carrying in our own bottoms. The chairman said:

Unless the Shipping Board can put on more ships, enlarge its services, and develop trade connections, the expressed purpose of Congress as contained in the merchant marine act—to establish an American merchant marine capable of carrying the greater portion of our foreign commerce—will not be achieved.

Unless we provide proper funds we can not achieve that success.

Mr. WOOD. No portion of this amount of money could be used for that purpose, anyhow. The only purpose of the \$12,000,000 we are appropriating now, as was the purpose of the \$13,900,000 we appropriated last year, is that of covering their losses in operating expenses. They can aid in building new ships out of a building fund, but they can not resort to this fund for that purpose.

Mr. DAVIS. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. DAVIS. I will ask if it is not a fact that the estimate of the needed requirement for operation, as submitted to the Budget Director by General Dalton, the president of the Emergency Fleet Corporation, was \$18,500,000.

Mr. WOOD. No; it was \$17,500,000.

Mr. DAVIS. I want to state that your records show that it was \$18,500,000, but that they later agreed they could get along, perhaps, on \$17,500,000. In other words, the estimate submitted by the president of the Emergency Fleet Corporation to the Budget was \$500,000 higher than the estimate made by the Shipping Board itself.

Mr. WOOD. Well, I will state to the gentleman that, according to my information, there is nothing in the hearings to indicate that the estimate was to exceed \$17,500,000.

Mr. DAVIS. On page 624 of the hearing Mr. Schmidt stated:

I think we can answer that, Mr. Chairman. The original estimate was \$18,500,000 that was presented to the Budget Committee.

The CHAIRMAN. The gentleman from Indiana has consumed one hour.

Mr. WOOD. Mr. Chairman, I yield myself one hour more.

Mr. DAVIS. Then he states that after five months of operation they think they can get along with something less and say:

Now, then, again with that same information in mind, we revised our Budget estimate for the fiscal year 1928 and have reduced that to \$17,500,000.

With respect to the question raised by the gentleman from Alabama [Mr. McDUFFIE] about the requirement of the approval of the President of that \$5,000,000 reappropriation, I want to ask the gentleman from Indiana if it is not the fact that when he was urging upon the officials of the Shipping Board and the Emergency Fleet Corporation the possibility of invading some of their reserves for outstanding obligations and also to go beyond that with the hope of coming back for a deficiency appropriation, they explained it was necessary for them to know from month to month how much they could expend and how much they could obligate themselves for; otherwise, if they are restricted to a specific amount they will have to proceed upon a program that would be less than they would adopt if they knew they were going to get that amount. They will now have no assurance that they are going to get the \$5,000,000 unless we appropriate it. It is stated emphatically by all of them who appeared before you that they need that much, and I do not see why the gentleman and the other members of the committee are not willing to appropriate in the customary method the amount that is required to maintain a merchant marine in our various trade routes. The chairman of the board stated emphatically that if they were not given enough, the only alternative would be to take off routes or ships, as the gentleman well knows; and I want to ask the gentleman this further question with regard to that reappropriation.

The original appropriation, as the gentleman is well aware, not only provided that it should be expended only with the

approval of the President, but it also provided that it should only be spent for a specific purpose; that is—

to enable the United States Shipping Board Emergency Fleet Corporation to operate ships or lines of ships which have been or may be taken back from the purchasers by reason of competition or other methods employed by foreign ship owners or operators.

Now, as a matter of fact, none of that occurred, no line has been taken back during the present fiscal year, and none of the \$10,000,000 defense fund has been used. But when you simply make a reappropriation of \$5,000,000, does not that carry with it that proviso and that restriction, as well as the further restriction that it must be spent and can only be spent with the approval of the President?

Mr. WOOD. The gentleman is correct about it, and I will say that I feel there should be no occasion for alarm. The President of the United States is vitally interested in the maintenance of our merchant marine, and it strikes me that the merchant marine, important as it is, the biggest business concern in all the world outside of the business of the United States—and it is a part of the business of the United States—should have a very close relationship in its organization and in its executive determinations with the President of the United States. There can not be too much caution or too much good advice about it, it seems to me.

Mr. DAVIS. Conceding that to be true, the President himself can not authorize the expenditure of that \$5,000,000 reappropriation except for a specific purpose and under specific conditions.

Mr. WOOD. Oh, yes. He can authorize it for the very purpose for which we appropriate it.

Mr. DAVIS. But it is a reappropriation.

Mr. WOOD. It is a reappropriation; yes. We are releasing \$5,000,000 of that \$10,000,000 for the purpose of aiding, in the event it is necessary, the Shipping Board to cover its losses in operation, and all they have to do is to go to the President of the United States and make a showing that it is necessary.

Mr. McDUFFIE. But I think, if the gentleman will permit me, we would have to change this language to clear up any doubt along that line. The point raised by the gentleman from Tennessee [Mr. DAVIS] is that, even if the President could expend it, he could only expend it in the case of the lines that were taken back.

Mr. WOOD. Oh, no; and I will state to the gentleman that perhaps we have not carried out our intention in this language; but if not it is a very easy thing to correct it. The intention of the committee is to release \$5,000,000 of the \$10,000,000 appropriation so that it may be used for the purpose of covering losses, requiring at the same time that it shall be done upon the approval of the President.

Mr. BANKHEAD. If the gentleman will permit me in that connection, if that is the explicit intention of the committee, I think it would undoubtedly be necessary when we get the bill up under the five-minute rule to clarify the reappropriation, because, in my opinion, from reading the original appropriation, unless you do assert in this appropriation that it may be used for some other purpose than that contained in the original authorization, the President would not be authorized to use it.

Mr. WOOD. It is very well to be absolutely certain about it, and before we get through with the bill, with the aid of the gentleman, we will have it that way.

Mr. DAVIS. In other words, the gentleman from Indiana, I think, properly concedes that just the mere reappropriation will carry with it the proviso in the original appropriation provision in the last Congress, that it can only be spent upon the approval of the President.

Mr. WOOD. Yes.

Mr. DAVIS. Then, in like manner it would carry the other restrictions carried in the original appropriation, because you do not carry forward into the reappropriating language the provision that it must be approved by the President; and if it is not necessary to carry that proviso forward in order to make it effective under the reappropriation, then it is not necessary to carry forward the other provisions that surrounded the original appropriation.

Mr. WOOD. We will clarify the language if there is any ambiguity about it. We do not want any mistake about it whatever.

Mr. DAVIS. As I understand, it was the intention of the committee to permit this \$5,000,000 to be used in addition to the \$12,000,000, and for the same purposes that the \$12,000,000 is appropriated; in other words, for administrative purposes and the payment of any losses and expenses—that is, for operation; is that correct?

Mr. WOOD. And we will work out an amendment so there will not be any doubt about it whatever.

Mr. McDUFFIE. I hope the gentleman will pardon me for interrupting him so much, but, as I understand, the gentleman suggested that the Shipping Board and the Emergency Fleet Corporation both said they could get along with \$17,500,000.

Mr. WOOD. Yes.

Mr. McDUFFIE. Why did not the gentleman give them the \$17,500,000? Granting, for the sake of argument, that they are willing to take that and try to operate these ships, you have cut them one-half million dollars.

Mr. WOOD. General Dalton in his testimony testified that the loss this fiscal year would be \$17,400,000. If the loss for the present year is only \$17,400,000 they ought to get along on \$17,000,000 next year.

Mr. McDUFFIE. I think you will get a larger loss under the present policy, for we are gradually shrinking rather than expanding.

Mr. WOOD. If the Emergency Fleet Corporation and Shipping Board proceed with the curtailing of expenses in the next year as successfully as they have in the last year you will find this ample. They have made a wonderful showing in the reduction of expenses, and yet they have not reduced operations. There has been a good deal of money wasted in the operation of the Shipping Board extending all over the world in the past. It probably is nobody's fault in particular but it was a big piece of machinery to set up over night, and it has taken a long while to get it in order and get it under the control of some one responsible head.

Mr. McDUFFIE. We have saved the producer and the consumer many more dollars than we have expended in loss of operation and therefore it is not a loss.

Mr. WOOD. In that sense it is not a loss, and I desire to say that the hearings disclose concrete examples of the value of the merchant marine to the American shipper and consumer. I think that the shipment of apples from Virginia alone last year is evidence of that fact.

Here is something that the average person does not take into consideration. We are expending one-third of a billion dollars a year to maintain a navy and we do not get a dollar back except the protection of the United States. Here is a merchant marine, which is the strongest possible auxiliary to the Navy, that is operating at a loss now apparently of about \$17,000,000. But it results in a profit for all the shippers and consumers of America. If it were not for the the merchant marine we would be at the mercy of the shippers of the world exactly as we were before we had a merchant marine. I only have to call your attention to the humiliating spectacle which you will remember during the administration of President Roosevelt. He sent a fleet around the world and they had to beg, borrow, or steal coal because of the fact that we had no tenders to supply the fleet. Our merchant marine was off the sea and we had no succor of help from any source. It strikes me that that is a good example of our then weakness, and it ought to make a lasting impression on every patriotic citizen.

Mr. BLAND. If the present policy is to be kept up, we will have no navy to send around the world.

Mr. WOOD. Oh, yes; we will have a navy; but what does a navy amount to without a merchant marine? What good is a navy when we get into war without a merchant marine to convoy it? When we got into the Great World War we had to be convoyed by the Allies.

Mr. LAGUARDIA. Why is it that we can not get men of experience to superintend the actual operation of the merchant marine?

Mr. WOOD. I do not know why unless it is because there is too much contrariety of opinion in reference to the merchant marine. It is the duty of Congress to establish a policy and not longer delay it. Congress has been neglectful in the discharge of its duty in adopting a policy for conducting the merchant marine.

Mr. GARNER of Texas. How are you going to adopt a policy?

Mr. WOOD. By affirmative act of Congress. An attempt was made during the Harding administration and failed, but because of that failure we ought not longer to procrastinate. As long as we have no policy we will have difficulty in maintaining a merchant marine.

Mr. GARNER of Texas. Let me ask the gentleman who is responsible for the neglect?

Mr. WOOD. Congress.

Mr. GARNER of Texas. Who is responsible; who has charge of Congress? The gentleman speaks of the wonderful things that the Shipping Board has done, why does not he have Congress function?

Mr. WOOD. I will tell you what will happen. If a program for the conduct of the merchant marine was proposed, gentlemen on the other side, the gentleman from Texas and others,

would be snapping at our heels until they had gnawed the vitals out of it. [Laughter.]

Mr. GARNETT of Texas. Have you not sufficient strength over there to do the job, regardless of our nagging the entrails out of you?

Mr. WOOD. Oh, we always have a few weak brothers on our side, as you have on your side. [Laughter.]

Mr. DAVIS. When the last ship subsidy bill was presented, to which the gentleman has referred, there was a majority of 2 to 1 on the gentleman's side in the House, and a majority of 36 in the Senate; but if the gentleman will present a meritorious proposal, it can probably get through. You can not get through a proposal like that. The gentleman has been speaking about a policy. We have a policy that was laid down in the merchant marine act of 1920, and the Shipping Board is getting along pretty well under that; and, in my opinion, they would get along a great deal better if outside interests did not continually interfere.

That was a measure presented by the gentleman's party and supported by Members on both sides of the aisle as a solution of the proposition, and I think it is. So far as the subsidy proposition is concerned, it never has in the world's history built up and maintained a merchant marine worthy of the name.

Mr. WOOD. I wish to say in answer to the gentleman that there is no merchant marine on the face of the earth to-day that could live 24 hours without a subsidy, and there never will be, in my opinion.

Mr. DAVIS. The largest merchant marine in the world is the British merchant marine, and Great Britain is not now and never has at any time in all of her history paid as a subsidy one penny to a cargo vessel.

Mr. WOOD. I shall correct the gentleman by giving him some very substantial facts that dispute his statement entirely and completely. Take the subject of carrying the mails.

Mr. DAVIS. But cargo vessels do not carry the mail, and so far as the mails are concerned, the United States is paying more than twice as much for the carriage of her ocean postage as Great Britain is paying for hers.

Mr. WOOD. Let me give the gentleman some figures that may be enlightening to him. Italy is paying a subvention to-day—

Mr. DAVIS. From what is the gentleman reading?

Mr. WOOD. From a report that I have from the Postmaster General. Italy to-day is paying a subvention of \$6,901,595; Spain, \$7,785,681; France, \$2,671,584; Japan, \$5,007,279; Australia \$851,516; and Canada, \$1,000,000. The Postmaster General further says:

Great Britain's payments are so complicated with loans for construction purposes at nominal rates of interest, naval reserve and admiralty payments, that it is impossible to do more than roughly approximate the mail subvention, which appears to be in the neighborhood of \$2,432,900.

Mr. DAVIS. And our appropriation for the fiscal year was \$8,500,000, which, as I said, is more than twice as much as Great Britain is paying to-day.

Mr. WOOD. But there are more ways of subsidizing than by granting a direct subsidy from the treasury of a country. That is one of the things with which our Emergency Fleet Corporation has to deal. Every European shipper has, as a part of his contract of sale, a condition that his goods shall be shipped in a certain line of vessels, generally the line belonging to his own country. When he buys in this country he has the condition in his contract of purchase that his goods shall be shipped in English vessels if he be an Englishman, or in German vessels if he be a German.

Mr. DAVIS. Yes; and the American exporter and importer can make the same agreement and ought to do it.

Mr. BLANTON. But they do not do it.

Mr. DAVIS. I think the gentleman will agree that one of the greatest handicaps to a merchant marine is the fact that American citizens do not support it to the extent that the nationals of other countries support theirs. Is not that the fact?

Mr. WOOD. That is one of the reasons why we ought to have a definite policy upon which we could rely, and for this reason: Prior to the war we had no merchant marine. The great manufacturing industries of the country had their business connections made with foreign shipping, and the great railroads, the trunk lines, of the country had their business connections made with foreign shipping. There has been a propaganda going on all the time, and it is going on now, that it is only a question of time when the American merchant marine will be a thing of the past, and as long as we go on with this want of policy, with this want of determination, there is going to be some basis for their contention; so that

I say it is up to the Congress of the United States to correct this thing and there should not be any politics in it. It is the greatest auxiliary that we have in time of war, a great asset in time of peace, and it occurs to me that if there was half as much interest exercised toward the upbuilding and establishment of a merchant marine as there is in the upbuilding of a bigger army and navy we would that much sooner get a merchant marine firmly established.

Mr. WHITE of Maine. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. WHITE of Maine. Reference has been made by the gentleman from Tennessee [Mr. DAVIS] to the merchant marine act, and the gentleman from Indiana [Mr. WOOD] has referred to the necessity for a policy with respect to our merchant marine. I call especially to the attention of the committee the fact that in the merchant marine act there was laid down a policy with respect to the carriage of mails on American vessels, and that the Postmaster General of the United States under that act was authorized to enter into contracts for the carriage of mails in American ships. Yet this Appropriation Committee of the House in the first bill it brought in after the passage of that act wrecked the policy laid down in that act and in effect has repudiated a number of contracts entered into by the Postmaster General for that, as I conceive it to be, very laudable purpose. I do not know how you can have a policy and have it duly effective in the upbuilding of a merchant marine if the declarations of congressional intent are not respected and if the money to carry them into effect is not provided. [Applause.]

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield right there for a moment?

Mr. WOOD. Yes.

Mr. LAGUARDIA. I want to call the gentleman's attention to one thing, that in this connection that exists the emergency fleet has joined the steamship conference, and this steamship conference is absolutely controlled by the foreign companies. I can not understand why the ships and the Emergency Corporation should at any time join that conference, which controls all the passenger and freight business.

Mr. CHINDBLOM. Has the gentleman made any effort to find out why they have joined it?

Mr. LAGUARDIA. Certainly I have.

Mr. CHINDBLOM. Is there any reason for not joining the association when they are in the business? Everybody belongs to it.

Mr. LAGUARDIA. The I. M. M. surely would not be called an American company.

Mr. CHINDBLOM. I think the United States Fleet Corporation does participate in this conference, yet for certain reasons made known to the committee they are not reciprocally accepting its recommendations.

Mr. LAGUARDIA. They follow the conference, and they lose by it.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. BRIGGS. I can not understand why the Shipping Board Fleet Corporation, after showing that they need \$17,500,000 to operate on in the next fiscal year, should have a condition attached to that appropriation restricting the amount of its expenditure.

Mr. WOOD. We discussed that point when the gentleman was out; before the gentleman came in.

Mr. BRIGGS. No; I was listening to it, but I was not satisfied with the discussion. The representatives of the Shipping Board testified before the committee that the amount granted this fiscal year, \$13,900,000, resulted in a deficit of possibly three and one-half million. Their estimate for 1928 was \$17,500,000. The Shipping Board testified that for the present fiscal year the operating deficit for five months is \$2,000,000 in excess of the Budget. That will be found on page 622 of the hearings. They say that at the end of the year it will amount to \$3,500,000. The Shipping Board further shows that since 1924 they have reduced the operating deficit from \$41,000,000 to \$17,500,000. That is a mighty good showing. They have also reduced to some extent the number of ships. They testified that if the appropriations are further reduced it will mean a further reduction of the number of ships. They can not call upon the reserves of the board to meet those obligations, for they are pledged to other purposes; and if the boats of the Shipping Board are to perform and render the service expected and needed by the American people they must have \$17,500,000. Now, it is undertaken to give them \$17,000,000 with a condition attached that it must be approved by the President so far as \$5,000,000 thereof is concerned. That provision, so far as I am advised, does not obtain with reference to any other department of the Government.

Mr. WOOD. I will say to the gentleman that we have no other business like this. It is in a class all by itself. That is one of the troubles we have in knowing what their wants are. Its interests are scattered all over the world. Were its activities confined to the United States, that would be different; but we have our fleets on all the seven seas, and it strikes me that under the circumstances there can not be too much supervision. The President of the United States can not sit on this board personally, but he can be a splendid advisor.

Mr. BRIGGS. The Shipping Board meets a condition where in certain seasons of the year, in moving the grain crops of the West and the crops of the South, extra facilities are necessary. If they have only \$13,900,000 on hand, as they had last year, they hesitate to go on. They were assured that if they had a deficit it would be approved, but I know that they hesitated a long time to put additional ships into the service because they had to go and recondition a number of ships, which cost them about a million and a half dollars to get them in readiness; ships which had been withdrawn from the trade.

I contend that the Shipping Board should not have the feeling that they are restrained by this limitation, because the moving of the commerce of the country will suffer if the traffic is not carried to its destination at the time the trade desires. It seems to me that no reason has been advanced why there should be an additional condition tied to this appropriation restricting its expenditure than is attached to any other appropriation for any other department, commission, or agency of the Government.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield? I note that on page 35, line 16, the language is as follows:

Five million dollars of the special appropriation of \$10,000,000 contained in the independent offices appropriation act for the fiscal year 1927 and reappropriated by this act.

Are those the only words of reappropriation? That looks like a recital. Should it not be "which is hereby reappropriated"?

Mr. WOOD. I would say to the gentleman, that, perhaps, some other language should be put in there.

Mr. LOZIER. Mr. Chairman, will the gentleman yield?

Mr. WOOD. Yes.

Mr. LOZIER. Only a comparatively small part of our outgoing tonnage is carried in American bottoms. Is that the result of the traffic arrangements by which the directors of American railroads have entered into agreements with foreign-owned ships, by which traffic originating in the interior and hauled to tidewater is turned over to these foreign ships for transportation abroad?

Mr. WOOD. That is true; but those arrangements were in existence before we had any Shipping Board at all. To get shippers to break away from that arrangement is one of the problems of this board. It strikes me that if American newspapers would devote a little of their space to matters such as this and advocate and emphasize the importance of the American merchant marine, conditions would grow better. I believe even now that the conditions are growing better. Our passenger lists are larger than last year and the per cent of our shipment of freight has likewise increased. There is a gain in American shipping. That is why I wish we could adopt some firm policy and say to the world that our American merchant marine should be maintained, whether it is going to be by Government ownership or by private ownership under Government supervision. [Applause.]

Mr. BRIGGS. I just want to suggest that the percentage of exports now being carried out of the Gulf of Mexico in American ships is approximately 50 per cent of all of the exports. I want to say this, too, for the Fleet Corporation, that they have performed one of the finest services for America this past summer that has ever been performed by any agent. At a time when vessels of foreign nations were being withdrawn from the seasonal movement of grain and grain products, flour and other grain products, and cotton and its products, in order to go into the coal trade, where the profits were enormous, the United States Emergency Fleet Corporation came to the rescue and put into that service over a hundred additional ships, which allowed American commerce to move, get to its destination, hold freight rates in check, keep up our trade, and by which we were enabled to deliver the desired part of the exportable surplus of the crops of the United States which were purchased and otherwise never could have been moved to foreign shores. [Applause.]

Mr. BLANTON. Before the gentleman gets away from his pet subject of subsidies, may I ask him a question?

Mr. WOOD. Yes.

Mr. BLANTON. How do our shipping tariffs in Government-owned bottoms compare with those of, say, German-owned and English-owned vessels?

Mr. WOOD. In what respect?

Mr. BLANTON. For instance, if I wanted to ship a cargo of cotton from Galveston to Liverpool in a Government-owned vessel, would our Government-owned vessel charge more for it than a German vessel or an English vessel?

Mr. WOOD. I will state to the gentleman there is a rate-fixing conference of the shipping of the world; they are supposed to adopt rates that are uniform, but how well they obey them is a matter of some doubt. We have some evidence of the fact that they are not obeyed very strictly. But here is the point, if we did not have an American merchant marine we would have no voice in that conference; we would not have anything with which to protect ourselves in shipping, and consequently we would be at their mercy.

Mr. BLANTON. But the rates are approximately the same, are they not?

Mr. WOOD. They are.

Mr. BLANTON. Then we are granting a subsidy after all to shippers because of the fact that every seaman on every Government-owned bottom receives from at least a half, and in many instances more, up to one-fourth greater wages than seamen employed on any other vessel in the world. Is not that so?

Mr. WOOD. I will state to the gentleman that that is the prevailing erroneous opinion. He is correct with reference to the fact that our seamen are paid more than the seamen of other shipping nations, but it is offset to a considerable degree by the fact that it takes fewer Americans to run a ship than nationals of any other nation on the face of the earth.

Mr. BLANTON. If the gentleman will investigate, I think he will find that it costs the American Government just as much to operate any ship we own as any ship of any foreign nation of comparable size and tonnage.

Mr. WOOD. I will tell the gentleman where the difference in cost is. The difference in the cost is in that it takes about 37 per cent more to build an American ship than it takes to build a ship of like character at any other place upon the face of the earth.

Mr. BLANTON. And to that extent we pay a first subsidy?

Mr. WOOD. No; but if we are, we are paying it to American workmen and those who receive higher wages.

Mr. BLANTON. But we are paying it. There is the first subsidy we are paying.

Mr. WOOD. Yes; we have got to pay it.

Mr. BLANTON. And then the next subsidy is the extra wages we pay.

Mr. WOOD. Well, if you call that a subsidy.

Mr. CONNALLY of Texas. The gentleman says that greater cost goes to American workmen, but is it not a fact that some of it goes to the steel interests in the way of tariffs?

Mr. WOOD. Yes; and, fortunately for the United States, under the benign influence of a protective tariff we are manufacturing steel cheaper to-day than at any place upon the face of the earth; but if the gentleman had his way about it, we would not have a ton of steel manufactured in the United States with which to build a ship or anything else. [Applause and laughter.]

Mr. CONNALLY of Texas. The gentleman does not care to yield further, I suppose?

Mr. WOOD. If the gentleman has another question.

Mr. CONNALLY of Texas. The gentleman was kind enough to make a very liberal reference to me.

Mr. WOOD. Has the gentleman another question to ask me?

Mr. CONNALLY of Texas. I suppose the gentleman implied that from the question I asked when he said that if I had my way there would not be enough steel manufactured in this country with which to build a ship or anything else.

Mr. WOOD. Yes; I take it for granted the gentleman is in line with his party and his party's policy. His party is opposed to protection and always has been.

Mr. CONNALLY of Texas. The gentleman, then, favors a protective tariff in order to give the steel interests of the United States an enhanced profit, when the Steel Trust the other day was able to hand out a \$200,000,000 stock dividend, which was earned, of course, through the exorbitant profits made out of the American people, who have to buy their steel because they have no competition in the way of imports.

Mr. WOOD. The gentleman is mistaken.

Mr. CONNALLY of Texas. I have as much right to assume that is the gentleman's position as the gentleman has to assume that because I am opposed to protective tariffs I want to do away with the steel industry.

Mr. WOOD. I am in favor of protection of American steel and American manufactures of every character. I am in favor of protection upon steel so that thousands and thousands of men employed in that industry can live better than any other

like employees upon the face of the earth. I am in favor of protection for steel and for every other industry because of the fact that it has made this country the envy of the world and the richest Nation on the face of the earth.

It has made it rich beyond compare and without such protection we would have been in the same pitiable condition, no doubt, that the other nations are in to-day.

Mr. CHINDBLOM. Will the gentleman permit me to make an observation

Mr. WOOD. Certainly.

Mr. CHINDBLOM. I find that there is, I think, a specific reappropriation of that \$10,000,000 item on page 36, beginning in line 4.

Mr. BRIGGS. That only relates to \$5,000,000 of the \$10,000,000 originally appropriated last year.

Mr. WOOD. We only intended to reappropriate \$5,000,000.

Mr. CHINDBLOM. You are making \$5,000,000 available for the specific purposes mentioned on page 35.

Mr. WOOD. Yes.

Mr. BRIGGS. The second item refers to an appropriation of only \$5,000,000 of the original \$10,000,000.

Mr. WOOD. I wish at this point to submit a very illuminating table, showing the number of ships in operation, total tonnage of ships in operation, and various other figures with respect to revenues, and so forth.

The statement referred to follows:

Data requested by subcommittee of House Committee on Appropriations at hearing on appropriation for fiscal year 1928 for the United States Shipping Board and the United States Shipping Board Emergency Fleet Corporation, December 28-29, 1926

OPERATING DATA

	Fiscal year 1923	Fiscal year 1924	Fiscal year 1925	Fiscal year 1926	Estimate for fiscal year 1927	Estimate for fiscal year 1928
Number of ships in operation (average during fiscal year):						
Cargo.....	347	338	299	242	270	247
Passenger and cargo.....	17	14	14	6	5	5
United States lines.....	11	10	6	6	5	5
Tankers.....	17	21	14	7	8	7
Total.....	392	383	333	261	288	264
Total tonnage of ships in operation (based on average number shown above, dead-weight tonnage)	3,378,342	3,359,583	2,970,948	2,328,806	2,562,675	2,350,395
Number of cargo and passenger and cargo services maintained at end of fiscal year.....	78	71	61	50	49	49
Total number of terminations.....	1,848	1,686	1,569	1,215	1,331	1,176

OPERATING RESULTS

Total vessel revenues.....	\$96,468,543.06	\$103,625,416.83	\$100,460,150.07	\$81,038,731.58	\$77,963,000.00	\$72,345,000.00
Other operating revenues (net).....	780,026.57	692,374.66	503,601.49	899,151.25	1,060,000.00	600,000.00
Total revenues.....	97,248,569.63	104,317,791.49	100,963,751.56	81,937,882.83	79,023,000.00	72,945,000.00
Total vessel operating expenses.....	140,173,947.17	141,046,616.33	128,319,166.18	97,700,710.35	92,663,000.00	86,824,000.00
Other operating expenses.....	42,106.98	4,467,569.75	2,708,373.62	3,843,781.23	3,760,000.00	2,800,000.00
Total expenses.....	140,216,054.15	145,514,186.08	131,027,539.80	101,544,491.58	96,423,000.00	89,624,000.00
Reserve.....					821,000.00	821,000.00
Deficit for year.....	42,967,184.52	41,196,394.59	30,063,788.24	19,606,608.75	17,400,000.00	17,500,000.00
Appropriation for year.....	50,000,000.00	50,000,000.00	30,000,000.00	24,000,000.00	13,900,000.00	

SPECIAL FUND TO COVER LOSSES OF LINES TAKEN BACK FROM PURCHASERS

Amount of appropriation.....					\$10,000,000.00	\$10,000,000.00
Balance of appropriation at end of fiscal year.....					10,000,000.00	10,000,000.00

OPERATING FUNDS (INCLUDING INSURANCE RESERVES)

Operating balance carried forward at end of year.....	\$40,996,657.01	\$43,319,050.80	\$40,656,393.72	\$41,615,434.42		
Liabilities covered by balance carried forward.....	40,996,657.01	42,826,470.63	40,656,393.72	41,615,434.42		

CONSTRUCTION LOAN FUND

Balance available for use at end of year.....	\$50,000,000.00	\$60,881,931.62	\$57,424,003.52	\$60,925,269.97		
Outstanding loans at end of year.....		400,000.00	5,140,000.00	6,910,000.33		
Amounts in suspense (pending action by Congress).....			18,564,447.86	19,367,504.65		
Total fund.....	50,000,000.00	61,281,931.62	81,128,451.38	87,202,774.95		

DIESELIZATION FUND

Balance at end of year.....	(¹)	(²)	\$8,217,100.20	\$5,231,417.57		
-----------------------------	------------------	------------------	----------------	----------------	--	--

INSURANCE RESERVES

Marine insurance:						
Reserve at end of year.....	\$3,436,232.29	\$3,669,668.71	\$6,391,397.56	\$7,136,096.32		
Charges to reserve during year.....	(³)	5,343,318.81	4,651,153.34	2,933,699.51		
Protection and indemnity insurance:						
Reserve at end of year.....	5,414,217.61	5,312,541.38	4,971,157.80	4,670,257.72		
Charges to reserve during year.....	(³)	2,993,410.55	2,260,582.20	1,746,322.61		

LIQUIDATION FUNDS

Total receipts from liquidation.....	\$43,442,385.61	\$23,090,661.10	\$10,373,643.17	\$8,445,468.35		
Distribution of receipts:						
Liquidation expenses (including administrative, laid-up fleet, etc.).....	(⁴)	(⁵)	4,091,571.27	3,432,308.23		
Transfers to construction loan fund.....	\$50,000,000.00	11,281,931.62	6,282,071.90			
Transfers to miscellaneous receipts, United States Treasury.....		11,808,729.48				
Receipts in excess of expenses not available for use, pending action by Congress.....				5,013,160.12		
Interest and principal on securities held in construction loan fund not available for use, pending action by Congress (not included).....				5,520,079.29		

¹ Reappropriated.

² Fund not authorized until fiscal year 1925.

³ Reserve not set up until end of fiscal year 1923.

⁴ Expenses of liquidation paid from general operating funds—amount not available.

⁵ Difference between this amount and receipts during year made up of collections during preceding year.

Data requested by subcommittee of House Committee on Appropriations at hearing on appropriation for fiscal year 1928 for the United States Shipping Board and the United States Shipping Board Emergency Fleet Corporation, December 28-29, 1926—Continued

LAID-UP FLEET

	Fiscal year 1923	Fiscal year 1924	Fiscal year 1925	Fiscal year 1926	Estimate for fiscal year 1927	Estimate for fiscal year 1928
Number of vessels at end of year.....	937	924	914	580		
Tonnage of vessels at end of year (dead-weight tonnage).....	5,949,122	5,962,726	5,850,273	4,295,754		
Lay-up expenses during year.....	\$4,418,335.59	\$2,915,814.23	\$2,867,577.68	\$2,474,355.29		

SALE OF VESSELS

Number of vessels sold:						
Individually.....	146	24	47	107		
In groups for restricted operation as lines.....		10	5	42		
For scrapping.....	237	18	3	199		
Total vessels sold.....	383	52	55	348		
Number of lines sold.....		2	1	4		
Total price of vessels sold.....	\$30,138,906.96	\$7,045,684.58	\$8,995,729.09	\$19,666,059.70		

SPECIAL CLAIMS APPROPRIATION

Balance at end of year.....	\$6,517,924.25	\$5,034,687.40	\$4,596,144.79	\$3,570,237.96		
Settlement during year from appropriation.....	(7)	1,483,236.85	438,542.61	1,025,906.83		

CLAIMS AGAINST SHIPPING BOARD (EXCLUDING COURT OF CLAIMS CASES)

Number of claims at end of year:						
Admiralty.....	1,664	1,038	560	393		
Legal.....	290	266	243	270		
Miscellaneous.....	111	94	74	48		
Unpaid awards.....				13		
Total number.....	2,065	1,398	877	724		
Gross amount of claims:						
Admiralty.....	\$31,201,331.64	\$18,988,078.71	\$11,019,484.24	\$6,787,473.34		
Legal.....	85,010,217.29	76,346,585.07	60,660,182.57	46,385,021.01		
Miscellaneous.....	272,300.53	524,119.16	1,200,671.61	258,605.58		
Unpaid awards.....				819,303.10		
Total amount.....	116,483,909.26	95,858,782.94	72,880,338.42	54,249,808.03		

* Wooden vessels.

† Balance set up at end of fiscal year 1923, to cover estimated settlement cost of outstanding claims payable from the special appropriation.

NOTE.—These totals include claims which when settled, will be paid from the special claims appropriation.

Mr. WOOD. I also wish to commend the treasurer of the Shipping Board for inaugurating a scheme that is saving the people of the United States at least \$200,000 a year when compared with the expenditures under the old system of exchange. Under the old system we had to pay exchange both coming and going. Mr. Schmidt, who is the treasurer of the Shipping Board, has inaugurated a scheme whereby he has depositories not only throughout continental Europe but throughout South America, where they pay in the money of the foreign country without the necessity of rechecking or exchange. This amounts to a saving of about \$200,000 a year in the operations of the Shipping Board. I wish to commend this plan to the other departments of the Government. We are spending millions of dollars each year through our various consulates and embassies and spending thousands and thousands of dollars that are unnecessary if the same sort of depositories were established for this accommodation.

Mr. DAVIS. I want to heartily indorse the expression made by the gentleman from Indiana. I think Mr. Schmidt has rendered a very valuable service, and I think it would amount to a tremendous saving to this Government in the course of a year if all the departments interested would adopt the same system.

FEDERAL BOARD FOR VOCATIONAL EDUCATION

Mr. WOOD. I thank the gentleman.

I wish to call attention briefly, in passing, to the Federal Board for Vocational Education. I invite the attention of the Members to the hearings showing the wonderful work this board is doing throughout the United States, and I would like to submit the following statement in reference to this board as a part of my remarks:

VOCATIONAL REHABILITATION OF PERSONS DISABLED IN INDUSTRY OR OTHERWISE AND THEIR RETURN TO CIVIL EMPLOYMENT

NUMBER OF PERSONS DISABLED ANNUALLY

Each year many thousands of persons are disabled through industrial and public accidents, disease, or congenital conditions. The following figures for the United States are significant:

Nonfatal industrial accidents.....	3,000,000
Persons permanently physically disabled by industrial accidents.....	60,000
Persons permanently physically disabled by public accidents.....	120,000
Persons permanently disabled through disease and congenital conditions.....	45,000

Many of the above persons, having slight physical disabilities, such as the loss of a finger or partial loss of use of leg, do not become handicapped for their former employments. It is conservatively estimated as a result of experience, however, that of the entire group of disabled persons at least 80,000 per year are unable to reenter their old occupations or to undertake new employment without special assistance, because they lack initiative, or need guidance, direction, or help.

VOCATIONAL REHABILITATION LEGISLATION

Forty States have enacted civilian vocational rehabilitation legislation. In 1920 the Congress of the United States passed an act for the promotion of the work. The Federal Government does not undertake the immediate organization and direction of the vocational rehabilitation service. This is left to the States. The administration of the work is placed under the State board for vocational education, which, through its rehabilitation staff, initiates and plans programs of rehabilitation, inducts disabled persons into training, and places them in employment.

In order to assist the States in carrying on the service, the Federal Government makes allotments of money to them, the States securing the benefits of this assistance through legislative enactment and through matching expenditures from Federal funds by expenditures in equal amounts from State funds.

STATISTICS OF THE NATIONAL VOCATIONAL REHABILITATION PROGRAM

1. The national civilian vocational rehabilitation act became effective June 2, 1920.

2. Forty States have legislation.

3. Cases rehabilitated—

1921.....	523	1925.....	5,825
1922.....	1,898	1926.....	5,604
1923.....	4,530		
1924.....	5,654	Total.....	24,034

4. Live roll, end of—

1921.....	4,792	1924.....	13,044
1922.....	9,066	1925.....	12,727
1923.....	15,515	1926.....	13,604

5. Expenditures for all purposes:

	Federal	State
1921.....	\$53,335	\$191,347
1922.....	318,608	427,825
1923.....	525,387	662,783
1924.....	551,095	691,462
1925.....	519,553	667,665
1926.....	578,847	695,033

6. Average cost per rehabilitated case:			
1922	\$393.60	1925	\$226.55
1923	262.29	1926	229.71
1924	219.76		

Analysis by percentages of cases rehabilitated in 1926

1. Rehabilitated through—	
School training	39
Employment training	15
Job restoration	46
2. Sex—	
Male	87
Female	13
3. Age—	
Under 21	23
21-30	33
31-40	21
41-50	14
Over 50	9
4. Origin of disability:	
Employment accident	49
Public accident	19
Disease	27
Congenital	5
5. Nature of disability:	
Leg	34
Hand	14
Arm	11
Vision	8
Legs	7
Multiple	4
6. Schooling:	
Sixth grade and less	33
Seventh-ninth	42
Tenth-twelfth	19
More than twelfth	5

ECONOMIC SIGNIFICANCE OF VOCATIONAL REHABILITATION

The following statements are representative, being taken from studies made in all of the States engaged in rehabilitation work:

ALABAMA

The average weekly wage at time of disablement of all persons rehabilitated in 1924 was \$9.21, whereas after rehabilitation their wage was \$21.75. Of the group rehabilitated, 77 per cent had no earning power during the period of disablement, while 38 per cent had never worked prior to rehabilitation. Again, the average weekly wage of those who were working at the time of disablement was \$17.11, whereas after rehabilitation the wage of this same group became \$22.75. Furthermore, the average weekly wage of that group that had never worked until rehabilitated was \$19.90.

WISCONSIN

Fiscal year of 1924:	
Total number of disabled persons rehabilitated	235
Total earnings before rehabilitation	\$97,415.00
Total earnings after rehabilitation	\$261,797.50
Per capita earnings before rehabilitation	\$475.00
Per capita earnings after rehabilitation	\$1,200.00
Per capita cost of rehabilitation	\$220.00

OHIO

The following statement approaches from a different angle an analysis of economic returns on the investments by the State and Federal Governments in the rehabilitation work. A study was made of 457 persons disabled in industry in 1924 who were entitled to the benefits of workmen's compensation. Of this group 371 returned to their former or to some other employment without seeking the aid of the State service of rehabilitation. On the other hand, 86 of the group sought the aid of and were rehabilitated by the State service of rehabilitation. These 86 were shown to have an average earning capacity per annum after rehabilitation of \$1,165, whereas the 371 who were self-rehabilitated had an average earning capacity per annum of only \$858.10. The average cost per case to the State and the Federal Governments of rehabilitating the group of 86 was \$126.71, the average age of the group when rehabilitated being 29 years. The average industrial life expectancy of this group is 20 years. If it is assumed that the increased earnings of the group will continue for a period of 20 years, an analysis will show that the cost of rehabilitation was only an insignificant percentage of the increased earning capacity resulting therefrom.

CALIFORNIA

The average weekly wage at time of disablement of all persons rehabilitated in 1924 was \$20.86, whereas after rehabilitation their wage was \$28.34. Of the group rehabilitated 85 per cent had no earning power during the period of disablement, while 19 per cent had never worked prior to rehabilitation. Again, the average weekly wage of those who were working at the time of disablement was \$28.43, whereas after rehabilitation the wage of this same group became \$28.71. Furthermore, the average weekly wage of the group that had never worked until rehabilitated was \$27.66, only 77 cents per week less than that (\$28.43) of the group who were working at the time of disablement.

In most of the States it costs from \$300 to \$500 per annum to maintain in a poorhouse or custodial institution a person who is unable to work. When there is contrasted with this the average cost of \$225 required to rehabilitate disabled persons, making them competent to earn a living, some idea is given of the economic return on an investment by the State in its rehabilitation program. It is difficult to

conceive how any State can fail to maintain a rehabilitation service in the light of these facts.

The State and Federal program of civilian vocational rehabilitation has been in operation for a period of six and one-half years. The program has been demonstrated as socially and economically sound.

VETERANS' BUREAU

Mr. WOOD. Now gentlemen, I wish to call your attention to the Veterans' Bureau. We have made no substantial change with reference to appropriations for the Veterans' Bureau except that we have covered into the Treasury a \$2,000,000 surplus in the insurance fund which will leave more than \$1,500,000 in excess of all anticipated liabilities, and in passing I want to call attention to what General Hines says with reference to future hospitalization.

The whole thing will depend upon the policy adopted by Congress with reference to whether we are to take into our hospitals more of the nonservice cases. The problem of additional construction will hinge entirely upon the policy adopted by the Congress. If we are to hospitalize all service men regardless of the war, regardless of their disability, further construction will be necessary. If we are simply to take care of compensable cases, the amount of the additional construction will be very small and will be in keeping with what the bureau proposed in the first place on what we termed the \$14,000,000 program to complete everything, and that contemplated additions where needed, the replacement of temporary structures and one or two hospitals which we have worked out of the 10.

I also wish to commend the perusal of the hearings showing the detailed operations of the Veterans' Bureau.

Now, gentlemen, with these observations and thanking you for your considerate attention I will close—

Mr. BLAND. Will the gentleman yield before concluding?

Mr. WOOD. Yes.

Mr. BLAND. I want to ask the gentleman if it would not be possible for the Committee on Appropriations in the reports which it filed to show those provisions in the bill which it submits which undertake to change existing law, so that the average Member of the House and of this committee, upon reading the report, can see wherein the Committee on Appropriations has undertaken to change existing law?

I want to say that I ask this question without criticism of the gentleman's subcommittee, because in the one item which I have brought to the gentleman's attention it appears that the subcommittee took it up with the proper committee of the House and received its approval of the change; but the average Member has to take the bill and read it in connection with the preceding bill and study it out to find wherein the Committee on Appropriations has changed the law, although the Committee on Appropriations is supposed not to bring in legislation on an appropriating bill. I wonder if that situation can not be corrected so that the average Member of the House can find out when the Committee on Appropriations is undertaking to change existing law.

Mr. WOOD. I would state to the gentleman that it is the rule of the Committee on Appropriations not to resort to legislation upon an appropriation bill except in the most extreme cases and where there seems to be dire necessity for it, and those changes are always pointed out during the debate, because there is always some one watchful enough to make a point of order.

Mr. BLAND. But the gentleman knows that just recently there was a provision that slipped through because a Member did not happen to be watching out for changes that were made by the Committee on Appropriations. The Members constituting the subcommittee of the Committee on Appropriations are the ones who are really familiar with the details of the bill when it is brought before the House, and while they may think that a change is necessary, what I am asking is an opportunity for the Members of the House generally to be able to readily see the changes and themselves determine whether they are proper or not.

Mr. WOOD. There would be this danger about that. Sometimes it may seem to some Member of the House to be a change of the law when it is not.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. GARRETT of Tennessee. It was the practice for many years for the Committee on Appropriations when it brought in a bill to point out in the report those measures which the committee itself recognized and acknowledged as being changes in existing law. Of course, it frequently happened that the committee would take the view that a particular proposition which they put in did not constitute a change when others would think differently and a point of order would be made; but it was the practice up until recently, I believe, in the report

which accompanied the bill for the committee to point out all those things which they themselves conceded to be changes in existing law. I think it would be a very good practice to do that now, and I think they ought to be required to do it.

Mr. WOOD. I think so myself.

Mr. BLANTON. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. BLANTON. I do not think the chairman has properly answered the contention made by my colleague from Virginia, commented favorably upon by the minority leader, with both of whom I agree, in just merely waving that contention aside, because the contention is that it is the duty of the Committee on Appropriations, when they seek to change present law in an appropriation bill, to point it out to us. In the bill that the gentleman has brought in here there at least half a dozen, if not 8 or 10, instances where the Committee on Appropriations has put in affirmative legislation unauthorized by law, subject to a point of order, and nowhere in the report and nowhere in the gentleman's argument, and I have listened patiently to the gentleman's long argument here to-day, has he called the attention of a single Member of this House to these items of legislation.

I submit to the gentleman whom I used to follow when I first came here because of the great fight for proper legislation, but I submit to him that in his old age in the House of Representatives he is getting extremely careless in his manner of appropriation. [Laughter.]

Mr. WOOD. The fact is, if we did all the things the gentleman from Texas would have us do, there would be nothing for him to do to attract the attention of the House.

Mr. BLANTON. I expect to attract the attention of the House by calling attention to these matters and making points of order. I am glad the distinguished gentleman from Ohio is in the chair, because he is one who has done faithful work in the House and he can help in knocking out these pieces of legislation. I am glad he is here because he recognizes items of legislation when his attention is called to it.

Mr. NEWTON of Minnesota. I would like to ask the gentleman if in the hearings the committee went into the question at all of the limitation that the Budget Director places upon the use of appropriations in what is known as the 2 per cent club?

Mr. WOOD. Yes; we had to contend with that throughout the hearings. It is not our purpose to criticize the Budget. The Budget is a very helpful thing, but I sometimes think they do not give consideration enough to measures, especially those where we have a fixed policy; that is, the execution of a program that has been formulated in a previous Congress and if not carried out would cripple the department interested.

Mr. NEWTON of Minnesota. Here is a small bureau in the Government, and if they are compelled to make a saving of 2 per cent where there is a resignation or other vacancy in their employees, it works an injustice; it is one thing to make a saving in a large establishment and another to have to make it in a small one. It is one thing to make a saving in a bureau that has been magnified and extended since the war, and it is another thing in a small establishment that has not been increased. There ought to be some sound discretion used in this effort to make a saving along that line rather than an arbitrary rule laid down by the Director of the Budget.

Mr. WOOD. I hope the Director of the Budget will read the gentleman's remarks.

Mr. NEWTON of Minnesota. I hope so, too, but I have my doubts.

Mr. SANDLIN. Mr. Chairman and gentlemen of the committee, I am glad to see so much interest manifested in the American merchant marine. I think there is no activity of the Government more important to the masses of the people than the operations of the Shipping Board and the American merchant marine. You hear it asserted that the amount carried in the bill is a distinct loss to the Government. I can not see why the appropriation for the Agricultural Department, the Department of the Navy, the War Department, and the appropriation for rivers and harbors of billions of dollars can not in the same way be called a loss to the Government, because every man, woman, and child in this great country is interested in and affected by the operations of the American merchant marine as they are by the activities of the other departments.

I would like at this time to call attention to the fact that the activities carried on under that department are gradually being curtailed. There has been a material reduction since 1921 in the operation and tonnage carried by the American merchant marine.

The gentleman from Texas referred to the placing of ships in the southern ports during the last fall for the purposes of handling cotton.

I will state that during 1921 the percentage of cargoes carried in American vessels was 51 per cent, leaving 49 per cent carried in foreign vessels. That has declined until in 1926 we only carried 36 per cent of the cargoes in American vessels, leaving 64 per cent to be carried by foreign vessels. These figures will bring to our mind how necessary it is to keep up the American merchant marine. I would like to clear up, if I can, what seems to be a misunderstanding as to the appropriation carried for the Emergency Fleet Corporation last year.

Last year they asked for an appropriation of eighteen and a half million dollars, and the Budget allowed \$13,900,000. There was an attempt on the floor of the House to add \$5,000,000 to that appropriation, which attempt was not successful. They went ahead with the appropriation of \$13,900,000, and it is estimated from the losses they have sustained to date that at the end of the fiscal year there will be a deficit of \$17,400,000. They will make up the deficit from funds taken out of the insurance fund and one or two other funds they have on hand. But Mr. O'Connor, the president of the Shipping Board, and General Dalton, at the head of the Emergency Fleet Corporation, were both positive, in answers to questions propounded to them by a member of the committee, that if \$12,000,000, recommended by the Budget, is the only amount given to them for this fiscal year, then at the end of the fiscal year they will have to take out numbers of vessels and abolish certain trade routes. They both say that. They are at the head of these institutions, and we are bound to take their word for what will be done in those departments.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. BYRNS. I understood the gentleman to say that there would be a deficit of \$17,000,000 on June 30?

Mr. SANDLIN. Yes. It will be taken care of by the \$13,900,000 that was carried in the last year's bill and by three and a half million dollars taken from the insurance fund.

Mr. BYRNS. The total deficit would be seventeen million and some odd hundred thousand dollars.

Mr. SANDLIN. Yes. Therefore they ask for the next year \$17,500,000.

Mr. BYRNS. And the committee has undertaken to give it to them with the \$12,000,000 and an appropriation of \$5,000,000?

Mr. SANDLIN. Yes; has undertaken to give them \$17,000,000.

Mr. BYRNS. My query is as to whether or not, due to this deficit of \$17,500,000, any boats or ships have been taken out of the service?

Mr. SANDLIN. No; because they have made up that deficit by funds they have taken out of the insurance fund. I believe a statement of the number of ships in operation at this time and in operation last year would probably be enlightening. It is about the same.

Mr. BLAND. But will that answer the question? Has there been a curtailment of service in any respect or in movement?

Mr. SANDLIN. There was an enlargement in service during the latter part of 1926.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. DAVIS. I ask the gentleman if the only enlargement was not the spot ships placed in service, 82 of them, this past fall, to move the grain and flour and cotton, and they would be soon taken off. Is it not a fact that there has been a reduction from year to year all along in the number of ships in operation?

Mr. SANDLIN. I will read the gentleman the statement in reference to that, and that will answer the question. The average number of vessels in active operation in 1924, cargo vessels, amounted to 338; in 1925, 299; in 1926, 242; on November 30, 1926, 305. That increase is brought about by the situation the gentleman described by these ships being put into the service to handle the cotton and the wheat. It is estimated under this appropriation that in 1928 there will be 247 vessels in operation, which compares with 242 in 1926.

Mr. DAVIS. In connection with this gradual stifling of the proposition and reduction of the trade routes and ships, with the permission of the gentleman, I call attention to the fact that it appears in the hearings that when the chairman of the subcommittee was trying to get the chairman of the Shipping Board and the other officials to agree to a smaller amount Mr. Goodacre, one of the officials, said:

But you can reduce operating costs only to a certain minimum; you can not go beyond that. You can reduce your administrative

expenses to a certain minimum, beyond which you can not go. You can reduce the number of ships to nothing, and then have no loss.

And then Commissioner O'Connor said:

That is what happened in 1924 and 1925. You remember we came up here and stated we had only 242 vessels running, trying to serve the routes, and they could not do it.

So it is stated in the records here, both by Chairman O'Connor and General Dalton, the president of the Emergency Fleet Corporation, that there is a demand now for even more ships than they are operating now with this increased number, and if we are going to maintain these trade routes from various sections of the country to various other nations of the world, does not the gentleman think that there is more room for increase and expansion than there is justification for reduction?

Mr. SANDLIN. I do, and I would say as one member of this body that I would be willing to appropriate sufficient funds to carry on a sufficient and an efficient merchant marine. I am not so particular whether you call it a subsidy or not. If the money is spent under the management of honest, efficient heads of the Government, men at the head of the Emergency Fleet Corporation and of the Shipping Board, I believe it would be well to give the amount they ask for. We appropriate here, nearly every day of the year that we are in session, some money that, if you wanted to, you might call a subsidy. Of course, we all shy at anything that is called "subsidy," but appropriations are made of millions of dollars, which are more or less a subsidy. You may not call it a subsidy, but it amounts to the same thing.

Mr. CHINDBLOM. The modern term, of course, is "Government aid."

Mr. DAVIS. Of course the expenses of the United States to maintain this department are no more a subsidy than the expense required to maintain any other department of the Government, and to the extent that there is a loss, of course, the public generally gets the benefit of it, as suggested by the gentleman from Indiana [Mr. WOOD]. There is not any question at all but that the maintenance of this fleet has kept down the freight rates that the American people would otherwise have been compelled to pay.

Mr. SANDLIN. I thoroughly agree with the gentleman as to the benefits of the merchant marine.

Mr. WAINWRIGHT. I wonder if the gentleman or anybody can tell us how large a proportion of the exports leaving the ports of the United States is to-day carried in American bottoms and how large a proportion is carried in foreign bottoms.

Mr. SANDLIN. I have the data, and I will put it in the RECORD.

Statement showing decline of percentage of American commerce carried by United States flagships (including Shipping Board vessels), January 1, 1921, to June 30, 1926

Imports and exports combined, calendar year—	Overseas dry cargoes		Total all cargoes			
	Tons	Percentages carried		Tons	Percentages carried	
		American	Foreign		American	Foreign
1921.....	37,679,000	31	69	81,831,000	51	49
1922.....	39,181,000	30	70	87,473,000	51	49
1923.....	40,904,000	28	72	93,219,000	42	58
1924.....	40,974,000	29	71	93,160,000	44	56
1925.....	41,069,000	26	74	92,801,000	40	60
1926 (to and including June).....	20,829,000	24	76	44,190,000	36	64

Mr. WAINWRIGHT. The gentleman has said that he would be willing, for one, although he was not in favor of a subsidy, but he seems to be somewhat in favor of Government aid for the support of an American merchant marine that would carry American commerce. We have 264 ships engaged in foreign commerce, as estimated to-day. I wonder if anybody has estimated how many American ships would be required to carry the whole bulk of American trade?

Mr. DAVIS. With the permission of the gentleman from Louisiana, I will say that some very illuminating figures were submitted in the hearings by General Dalton. I call the gentleman's attention to the fact that during the month of October the total shipments from Norfolk, South Atlantic, and Gulf ports were 1,139,997 bales, of which the Shipping Board handled 533,207, or 46½ per cent.

Mr. WAINWRIGHT. That is all very well with regard to one commodity. It seems to me the House and the country should get a picture of how large a proportion we are carrying to-day, and how many ships it would require and how much it might cost if we carried the whole thing.

Mr. DAVIS. We are carrying to-day 36 per cent of our imports and exports combined.

Mr. SANDLIN. I have already made that statement, and it is in the RECORD. I would like to read to you a statement in regard to the importance of these operations. I want to call attention to page 674 of the hearings. I read:

OPERATIONS

General DALTON. On November 30, 1926, a total of 305 cargo ships, 5 passenger and cargo ships, 5 passenger ships of the United States Lines, and 8 tankers were in active operation. Last year, on the same date, there were 232 cargo ships in the same services, an increase this year of 73 vessels, many of which have been assigned to make two and three extra voyages. Most of the additional vessels have gone to the Gulf services, but there has been an active demand for tonnage in the North and South Atlantic.

During the six months' period, July to September, 1925, there were 178 sailings from Gulf ports and 13 sailings from South Atlantic ports. During the same period, July to September, 1926, there were 287 sailings from Gulf ports and 36 from South Atlantic ports. For the two ranges during the period, July to September, there were a total of 191 sailings in 1925 and 323 sailings in 1926.

Cotton exports from Norfolk, South Atlantic, and Gulf ports in September totaled 753,938 bales, of which amount the vessels of the Shipping Board handled 311,208, or 41½ per cent. During the month of October the total shipments from the same ports were 1,139,997 bales, of which the Shipping Board handled 533,207, or 46½ per cent.

The total movement of grain exports to all destinations from July 1, 1926, to November 30, 1926, aggregated 92,405,000 bushels. Of this amount, the United States Shipping Board lines operating from North Atlantic and Gulf ports handled 27,155,000 bushels, or approximately 30 per cent of the total movement. Grain is a tramp commodity, and outside of the regular line of services we have had to compete against both foreign and domestic tramp vessels in this movement.

In the operation of our various services during the first five months of the current fiscal year the deficits have exceeded by \$2,641,724 the allotment made for these months out of the total annual appropriation of \$13,900,000. Operating results as a whole have been better than reported for several years, the average losses of cargo vessels being smaller, and the profits of the United States Lines much larger than expected.

There have been many more cargo voyages than anticipated last year. The cost of breaking out additional vessels from lay up and conditioning them for active service has also been very heavy. The volume of freight, and in some cases rates, have, however, increased, offsetting to some extent the unusual expenditures which have been made.

DEFICIT AND APPROPRIATIONS

Based on present knowledge of conditions, operating and traffic, it appears that the total deficit for the fiscal year 1927 will approximate \$17,400,000, which is \$3,500,000 more than the appropriation. The Shipping Board has agreed with the Bureau of the Budget that a supplementary appropriation will not be requested. Part of the deficit may be covered from accounts which may be collected during the year, but the greater part must be obtained by using reserves set aside for other purposes.

In estimates submitted to the Bureau of the Budget our requirements for the fiscal year 1928 were shown as \$18,500,000, to cover operating deficits, and \$3,000,000 for the expenses of liquidation. A recent review has been made of these figures, and it now appears that the total for operations may be reduced to \$17,500,000. This total is a reasonable estimate of our requirements for the next fiscal year, assuming that the present lines are still operated by the Fleet Corporation.

SALE OF VESSELS

From present prospects there can not be anticipated any sales or material changes in services and operating conditions. The passenger services have shown great improvement in recent months and may continue to improve. It must be remembered that the passenger ships are old and will require heavy repair expenditures in the near future if the vessels are to be kept in efficient service. The cargo services for the most part are gradually improving, but there is little prospect of any of them becoming profit makers or even breaking even during the next year.

There has been some interest shown in the purchase of lines in recent months, but no sales have been made. The only line sold during the past year was the American Oriental Mail Line, a passenger service from Seattle to Japan, China, and the Philippines. This line, operating

five vessels, was sold to the Admiral Oriental Line, which for a number of years operated this service for the Fleet Corporation.

A large number of individual vessels of various types have been sold to private parties, these sales covering 107 vessels during the fiscal year 1926, and 32 since July 1 of this year.

In addition, during the fiscal year 1926, 42 vessels were sold and delivered under contracts requiring operation in specified trades and 199 vessels were sold for scrapping. As a result of these sales the total number of vessels owned and controlled by the Shipping Board and the Fleet Corporation on November 30, 1926, had been reduced to 854, aggregating 6,699,982 dead-weight tons.

REPAIRS

The total estimate for repairs for the fiscal year 1928 is \$4,915,400. Of this amount \$905,000 is for the vessels of the United States Lines; \$2,700,000 is estimated for repairs to freighters. If the present service is continued, this latter item can not be reduced, although there is a probability that repairs to the United States Lines will be less than estimated.

The repairs for the United States Lines alone during the first five months of the present fiscal year aggregated \$176,771.30. The amount estimated for the remaining seven months—\$714,409.12—includes some major repairs for the steamship *George Washington* and the steamship *Leviathan*.

SHIPS ASSIGNED TO MOVEMENT OF GRAIN, FLOUR, ETC.

There have been 80 additional vessels and 22 vessels from "spot" assigned to operators for the extensive seasonal movements of grain, flour, cotton, apples, etc., and to provide for the shortage of tonnage due to withdrawal of foreign-flag vessels. The expense of breaking out these vessels and preparing them for service will be the largest item in the deficit over the amount appropriated for the fiscal year 1927, which must be made up from other sources.

The betterments and improvements as reported to the end of November, 1926, have increased the appraised value of the fleet by \$1,644,757. The expenditures for the breaking out of these vessels from the inactive fleet have not been a loss and have added to the total appraised capital value of the vessels composing the fleet.

When this unusual demand was made upon the Shipping Board we were forced to go into the inactive fleet and select the vessels from time to time, which now aggregate approximately 80, although 93 have been surveyed, and make repairs on those vessels of a very large amount; some vessels were broken out as low as five or six thousand dollars and some went as high as \$50,000.

This has improved the fleet, so the money has not been lost. If those vessels were sold to-morrow, that amount of money would be realized by the Government, because if they had been sold without the repair, the cost of that repair would be deducted from the standard selling price for each vessel of each particular type. It is quite clear that the expense which the Shipping Board has incurred in meeting this demand of the American people for the movement of the grain, the cotton, the lumber, the tobacco, cottonseed oil, and all of the other heavy export products that could not have been moved to foreign markets had it not been for the Shipping Board vessels, is not a loss. All foreign-flag vessels usually handling this seasonal movement went to the British coal trade, where they received two, three, and four times the normal price per ton for carrying coal from the United States to Europe and to South America.

One representative from Galveston, with one of the big-trade organizations in that section of the country—I do not recall now his name—told me that the Shipping Board activities had been worth ten to fifteen million dollars to the people of his community.

We had a very concrete example closer home. The apple growers of Virginia found, when they came to move their apples this year, after they had made arrangements with foreign-flag lines to handle their products from Norfolk to European markets, that none of the foreign-flag lines would take the commitments, because the commitments had not been actually made a matter of contract. These foreign-flag vessels were being utilized in other trades and had heavy demands for space.

A deputation from Virginia, headed by Senator SWANSON, called at my office, and within less than 36 hours they were assured that two vessels would be broken out of the fleet and made available for the movement of the apples, which otherwise would have rotted in the Virginia orchards. We made arrangements for the movement of 52,800 barrels of apples. That gives an example of what immediate benefit our service is to our people.

Mr. WOOD. Were those apples moved by the Shipping Board at a profit to the board or at a loss?

General DALTON. They were moved at the regular current market rate for the commodity, which would have been paid on any shipping line.

The appropriation given them of \$17,500,000 will allow the Shipping Board to keep in operation just about the same num-

ber of vessels they did in 1926. I will put in the RECORD some statistical data concerning the ship operations, finances, sales, and movements of the fleet.

The Members might find interesting the items carried for the Civil Service Commission. There is a table in the hearings showing the number of employees that are now in the Federal executive civil service, or who were there on June 30, 1926. In the District of Columbia there is a total of 60,811, and outside of Washington, 499,894, or a total of 560,705. The table that I will ask to be put in the RECORD will show in what departments these employees are engaged.

Mr. BYRNS. Has the gentleman any figures showing the number last year?

Mr. SANDLIN. Yes; that is in the same table, I will say to the gentleman from Tennessee. It commences on June 30, 1916, and goes on down to June 30, 1926.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield there?

Mr. SANDLIN. Yes.

Mr. McDUFFIE. The number of employees increases and decreases as time goes on?

Mr. SANDLIN. The gentleman can refer to the table. On June 30, 1925, there were 564,718, and a year later there were 560,705. This is the table I refer to:

Number of employees in each branch of the Federal executive civil service on June 30, 1926, with totals for November 11, 1918 (armistice date), and later dates, comprising classified and unclassified (which includes presidential) positions¹

Department or office	June 30, 1926						Total
	In District of Columbia			Outside District of Columbia			
	Men	Women	Total	Men	Women	Total	
The White House.....	41	3	44				44
State.....	317	292	609	2,878	826	3,704	4,313
Treasury.....	6,510	8,252	14,762	30,247	6,610	36,857	51,619
War.....	2,403	2,172	4,575	39,730	4,463	44,193	48,768
Justice.....	615	221	836	2,371	556	2,927	3,763
Post Office.....	3,168	810	3,918	275,787	26,280	302,067	305,985
Navy.....	3,904	1,140	5,044	36,092	2,304	38,396	43,440
Interior.....	2,329	1,269	3,598	9,210	1,927	11,137	14,735
Agriculture.....	2,864	1,928	4,792	13,933	2,128	15,961	20,753
Commerce.....	2,700	1,665	4,365	9,720	743	10,463	14,828
Labor.....	280	387	667	2,702	613	3,315	3,982
Government Printing Office.....	3,227	850	4,077				4,077
Smithsonian Institution.....	378	128	506				506
Interstate Commerce Commission.....	1,025	321	1,346	459	2	461	1,807
Civil Service Commission.....	135	206	341	68	58	126	467
Bureau of Efficiency.....	32	16	48				48
Federal Trade Commission.....	222	95	317				317
Shipping Board.....	505	308	813	531	160	691	1,504
Allen Property Custodian.....	132	120	252				252
Tariff Commission.....	118	72	190	12	2	14	204
Employees' Compensation Commission.....	20	49	69				69
Federal Board for Vocational Education.....	35	40	75				75
Panama Canal.....	61	14	75	9,060	444	9,504	9,579
Public Buildings and Parks, National Capital.....	1,929	524	2,453				2,453
General Accounting Office.....	1,179	786	1,965				1,965
Veterans' Bureau.....	1,464	3,103	4,567	12,239	7,591	19,830	24,397
Railroad Administration ¹	73	40	113	6	2	8	121
Commission of Fine Arts.....	2		2				2
War Finance Corporation ²	46	34	80	57	34	91	171
National Advisory Committee on Aeronautics.....	12	12	24	122	9	131	155
Federal Reserve Board ³	98	88	186	18		18	204
Board of Tax Appeals.....	41	61	102				102
Total.....	35,805	25,006	60,811	445,142	54,752	499,894	560,705

¹ Does not include legislative or judicial services, nor the commissioned, warranted, or enlisted personnel of the military, naval, Marine Corps, or Coast Guard services, nor the government of the District of Columbia. The Railroad Labor Board, formerly included, was abolished by act of Congress May 20, 1926.

² Approximated.

³ Includes 13,200 clerks at third-class offices, 203 screen-wagon contractors, 295 carriers for offices having special supply, 5,578 clerks in charge of contract stations, 11,054 star-route contractors, and 282 steamboat contractors. Does not include 35,411 clerks at fourth-class offices who are employed and paid by the postmaster and 21,773 mail messengers not included in previous computations.

⁴ Includes administrative offices of Emergency Fleet Corporation but not workmen at shipyards or in warehouses or employees on vessels.

⁵ Positions not subject to the civil service act.

WAR EXPANSION AND REDUCTION SINCE ARMISTICE

Date	In District of Columbia	Outside District of Columbia	Total
June 30, 1916.....	39,442	398,615	438,057
Nov. 11, 1918.....	117,760	1,800,000	1,917,760
July 31, 1920.....	90,559	1,600,557	1,691,116
July 31, 1921.....	78,865	1,518,617	1,597,482
June 30, 1922.....	69,980	1,490,883	1,560,863
June 30, 1923.....	65,290	1,482,241	1,547,531
Dec. 31, 1923.....	65,025	1,479,646	1,544,671
June 30, 1924.....	64,120	1,490,866	1,554,986
Dec. 31, 1924.....	65,079	1,489,540	1,554,619
June 30, 1925.....	63,756	1,500,962	1,564,718
Dec. 31, 1925.....	61,509	1,486,568	1,548,077
June 30, 1926.....	60,811	1,499,894	1,560,705

* Approximated.

The Members also might be interested in the matter of vocational teaching and training courses. I will put in the RECORD some tables concerning that, and this table showing the expenditure of Federal, State, and local money for vocational education for the fiscal year 1926:

*Pupils enrolled in vocational teacher-training courses in institutions federally aided, by years, 1918 to 1926, and by States for the year ended June 30, 1926**

State or Territory and year	Pupils in teacher-training courses							
	Total		Agriculture		Trade and industrial		Home economics	
	Both sexes	Male	Female	Male	Female	Male	Female	Male
Total:								
1926.....	19,733	11,598	8,175	3,767	162	7,829	1,822	2
1925.....	20,194	11,716	8,478	3,731	77	7,976	1,909	9
1924.....	18,688	11,424	7,262	4,692	55	6,700	1,620	32
1923.....	20,738	12,514	7,224	5,061	26	8,453	1,201	5
1922.....	18,771	11,626	7,145	3,966	83	7,137	1,600	204
1921.....	16,824	9,707	7,117	3,208	162	6,307	1,695	85
1920.....	12,456	6,985	5,471	2,150	160	4,560	1,540	76
1919.....	7,364	3,998	3,366	1,289	45	2,384	290	114
1918.....	6,589	(2)	(1)	(1)	(1)	(2)	(2)	(2)
1926								
Alabama.....	319	233	86	184		49		86
Arizona.....	480	365	115	203	91	162		24
Arkansas.....	85	44	41	32		12	2	39
California.....	711	300	411	58	1	242	107	303
Colorado.....	815	448	367	396		52	15	352
Connecticut.....	149	93	56	46		47		56
Delaware.....	50	29	21	15		14	3	18
Florida.....	80	20	60	16		4		60
Georgia.....	871	456	415	96		360	119	296
Idaho.....	105	60	45	44		14		45
Illinois.....	838	277	561	50		227	470	91
Indiana.....	457	189	268	64		125		268
Iowa.....	1,019	365	654	240		125	64	590
Kansas.....	190	36	154	36				154
Kentucky.....	107	75	32	44		31		32
Louisiana.....	120	72	48	51		21	15	33
Maine.....	54	19	35	19				35
Maryland.....	142	120	22	23		97	4	18
Massachusetts.....	779	452	327	154	15	298	44	268
Michigan.....	808	711	97	247		1,464		97
Minnesota.....	718	481	237	41	48	440	73	116
Mississippi.....	154	93	61	75		15	8	53
Missouri.....	508	438	70	51		387	21	49
Montana.....	89	48	41	48				41
Nebraska.....	172	97	75	39		58		75
Nevada.....	12	8	4	3		8		9
New Hampshire.....	20	12	8	3				8
New Jersey.....	505	309	196	55		254	100	96
New Mexico.....	67	61	6	9		52		6
New York.....	2,043	1,093	950	147		946	261	689
North Carolina.....	231	133	98	90		43		98
North Dakota.....	117	31	86	31				86
Ohio.....	1,481	1,243	238	58		1,185	173	65
Oklahoma.....	315	152	163	56		96	11	152
Oregon.....	94	62	32	24		28	3	29
Pennsylvania.....	1,483	1,121	362	126		995	131	231
Rhode Island.....	254	142	112	28		114	14	98
South Carolina.....	179	90	89	61		29		89
South Dakota.....	122	28	94	22		6		94
Tennessee.....	159	94	65	29		65	9	56
Texas.....	377	242	135	110		132	44	91
Utah.....	239	62	177	29		33	6	171
Vermont.....	7	6	1	(1)	(1)	6	1	(1)
Virginia.....	959	732	227	522	7	210		220
Washington.....	117	47	70	14		33	12	58

* Tenth annual report to Congress of the Federal Board for Vocational Education, 1926 (p. 141).

† Not separately reported by sex.

‡ Includes enrollment in foreman-instructor training 775 men and 25 women.

§ No report.

Pupils enrolled in vocational teacher-training courses in institutions federally aided, by years, 1918 to 1926, and by States for the year ended June 30, 1926—Continued

State or Territory and year	Pupils in teacher-training courses							
	Total			Agriculture		Trade and industrial		Home economics
	Both sexes	Male	Female	Male	Female	Male	Female	Male
1926								
West Virginia.....	507	59	448	24		35	59	389
Wisconsin.....	471	217	254	6		211	50	204
Wyoming.....	132	93	39	40		53		39
Territory of Hawaii.....	62	40	22	8		32	3	19

Total expenditures of Federal, State, and local money for vocational education by States for the year ended June 30, 1926

State or Territory	Amount of expenditures			
	Total	Federal	State	Local
Total.....	\$23,179,641.44	\$6,548,567.92	\$6,148,942.95	\$10,482,130.57
Alabama.....	376,605.53	139,761.73	148,638.62	88,865.18
Arizona.....	86,622.42	32,643.21	25,720.00	28,259.21
Arkansas.....	222,323.13	106,894.08	90,504.75	24,924.30
California.....	1,421,542.12	220,624.57	220,624.57	980,292.98
Colorado.....	342,786.98	61,187.71	59,401.64	222,197.63
Connecticut.....	282,765.48	83,390.57	190,375.91	
Delaware.....	66,353.68	25,981.04	20,000.00	20,377.64
Florida.....	188,662.83	56,751.21	56,751.21	75,160.41
Georgia.....	360,474.36	113,530.66	50,269.84	146,673.86
Idaho.....	78,039.49	32,882.18	10,432.16	34,725.15
Illinois.....	1,454,897.62	405,351.87	231,669.03	817,876.72
Indiana.....	838,879.20	194,897.15	101,807.03	542,175.02
Iowa.....	389,425.63	136,137.28	6,374.07	246,914.28
Kansas.....	415,142.19	80,982.39	73,508.16	251,251.64
Kentucky.....	240,171.53	119,706.28	21,619.91	98,945.34
Louisiana.....	255,264.70	95,528.68	15,128.11	144,607.91
Maine.....	60,622.31	28,456.92	15,457.35	16,708.04
Maryland.....	173,950.12	71,959.86	12,172.40	89,817.86
Massachusetts.....	2,157,207.14	246,058.08	1,007,559.22	903,589.84
Michigan.....	810,980.61	222,788.29	129,293.93	458,898.39
Minnesota.....	414,643.57	141,438.86	156,235.11	116,969.60
Mississippi.....	330,521.80	120,871.42	123,414.42	86,235.96
Missouri.....	585,469.44	222,280.56	166,703.10	196,485.78
Montana.....	86,699.59	37,488.09	14,309.28	34,902.22
Nebraska.....	239,373.56	77,063.25	69,994.23	92,311.08
Nevada.....	43,863.33	17,261.03	13,455.59	13,086.71
New Hampshire.....	87,142.65	27,532.90	7,275.22	52,334.53
New Jersey.....	585,543.69	195,361.16	208,103.50	182,079.03
New Mexico.....	59,695.34	25,417.87	14,712.47	19,565.00
New York.....	2,921,220.97	658,382.29	1,202,842.65	1,060,016.03
North Carolina.....	437,799.52	162,292.43	127,761.61	147,745.48
North Dakota.....	109,863.08	43,706.94	24,445.64	41,710.50
Ohio.....	1,074,345.23	371,295.52	219,568.71	483,481.00
Oklahoma.....	278,876.91	123,071.86	36,819.36	118,985.69
Oregon.....	124,972.42	53,833.54	14,830.32	56,308.56
Pennsylvania.....	2,041,789.51	492,710.77	646,960.68	902,118.06
Rhode Island.....	100,241.78	45,372.30	15,045.25	39,824.23
South Carolina.....	311,964.09	112,611.08	175,576.60	23,976.41
South Dakota.....	101,779.39	41,892.09	13,460.05	46,427.25
Tennessee.....	373,122.53	157,017.97	111,578.97	104,525.59
Texas.....	598,954.42	292,248.39	64,026.00	242,680.03
Utah.....	105,144.08	35,651.58	8,620.78	60,869.72
Vermont.....	49,439.44	22,246.81	8,400.00	18,792.63
Virginia.....	373,105.34	150,203.67	96,408.44	126,493.23
Washington.....	168,138.84	81,230.17	9,824.71	77,083.96
West Virginia.....	166,220.46	66,062.25	26,480.72	73,677.49
Wisconsin.....	989,497.95	166,238.25	37,908.66	785,351.04
Wyoming.....	134,939.54	26,861.71	22,181.47	85,896.36
Territory of Hawaii.....	31,706.85	15,521.35	16,185.50	

I want to say in reference to the changes in the estimate submitted to us by the Budget that I, as one Member of Congress, am heartily in favor of a budget system. I do not believe that with the immense amount of money expended by the Federal Government we could afford not to have a budget system; I believe that though there may be some mistake made by the bureau at times, that the legislation, which was passed by Congress, meets with the approbation of the great majority of the people of this country, and that it was wise on the part of Congress to enact this law. I realize that in the submission of these amounts to the different subcommittees of Congress they may make mistakes, but they have primarily one purpose in view, and that is to cut down the expenses of the Government. I believe that in some instances they make those recommendations too low, and when they do they do so having in mind that they must cut down the expenses of the Government,

and they act arbitrarily in some instances. For instance, when we asked the gentlemen, who are at the head of these different departments, "Did you submit your claims to the Budget?" They said, "Yes." "What reason do they give you for cutting it?" The answer was, "They did not give us any reason. They have not given a reason for it." But that is no reason why the Committee on Appropriations should not find out from the heads of these different departments what amounts they need, and if the committee thinks they ought to have them, it ought to have no hesitancy in allowing the amounts required. In many instances we have done that very thing.

Mr. McDUFFIE. I have heard it suggested that sometimes these bureau chiefs hesitate to suggest to the Committee on Appropriations any figures beyond those that have been indicated to them that would be satisfactory to the Budget. That is the point I wish the gentleman to touch upon.

Mr. SANDLIN. I will say to the gentleman from Alabama that apparently they are very much embarrassed when a Member propounds a question of that kind to them, but usually the committee can get the information desired.

Mr. BLAND. But is it not a fact that usually the committee is not trying to get the information? Is the gentleman acquainted with the statement that was made on the floor of this House a few days ago by the gentleman from Georgia, a member of the Naval Affairs Committee, to the effect that there was in existence an Executive order which prohibited men in the Navy Department and in the Army from coming before the Committee on Appropriations and presenting their needs to the Committee on Appropriations? Does not the gentleman believe those fellows would have their heads chopped off instantly if they came before the Committee on Appropriations and opposed the recommendations that had been made by the Budget?

Mr. SANDLIN. I can not speak for the subcommittee handling the naval bill. It is as much as we can do to answer for our committee. But I am frank to say that that condition of which you speak may prevail to some extent. I am also frank to say that our subcommittee tries to arrive at the needs of the different activities of the Government that come before us.

Mr. BLAND. I will say to the gentleman that the gentleman from Georgia made the statement on this floor and I have not heard it contradicted yet.

Mr. SANDLIN. I am not a member of that committee, and I am not prepared to contradict it.

Mr. BLAND. He said there was an Executive order which prohibited those men from coming before the committee.

Mr. SANDLIN. I believe the law provides for that.

Mr. BYRNS. I think there is an Executive order and certainly an understanding that the Executive would look with disapproval upon anybody in the Government who should come before the committee and advocate more than the Budget has recommended, but, as the gentleman from Louisiana has well said, there is no reason why the Committee on Appropriations shall not and can not develop the facts, and my observation has been that the committee usually develops the facts as to whether or not more money is needed. As the gentleman says, in this bill, in several instances, the committee has allowed more than the Budget recommended and it is true, as the gentleman from Virginia suggests, that the subcommittee is always endeavoring to hold down appropriations rather than increase them.

Mr. SANDLIN. Let me make this suggestion, and I made it to the head of one of the departments. They go before this Budget committee and make out what they call a showing. Without any reason being given them their estimates are limited, or, you might say, cut, sometimes in very large amounts. Now, they submit their estimates to the Appropriations Committee or to the Congress and they go to the different subcommittees of the Committee on Appropriations. I think the Budget ought in all fairness, if they want the cooperation of the committees of Congress, to let us know, the members of those subcommittees, why they did not grant the requests of the different departments.

I suppose they might answer that question by saying we might summon them before us and ask them why; but we have not done it up to date. I do not know whether any other subcommittee has done it or not. But certainly some reason ought to be given to those activities of the Government that are asking for these appropriations or to the subcommittee that is handling these different bills as to why the estimates are arbitrarily cut. For instance, take the Shipping Board appropriation. They have made a splendid showing there. General Dalton and Chairman O'Connor say specifically that unless \$17,500,000 is carried to cover the deficit that at the end of this year, or on June 30, there will be taken from the trade routes

different vessels, and in some instances the routes may be abandoned altogether. As stated by the gentleman from Indiana, the President is a strong friend of the merchant marine, yet the Budget is permitted to arbitrarily cut the recommendations or estimates made by the very men whom the President has said ought to have the confidence of the country, because he has confidence in their honesty, integrity, and business ability. He has said that to the people of the country by appointing them. However, notwithstanding the fact that they say it will take that amount of money to maintain the present routes, we find the estimate arbitrarily cut from \$17,500,000 to \$12,000,000.

Mr. McDUFFIE. That is one form of economy the administration is practicing?

Mr. SANDLIN. Well, I want to say that as far as this committee is concerned we did increase this appropriation by \$5,000,000, although I think the language in the bill will have to be changed.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. BLACK of Texas. Is it not the opinion of the gentleman from Louisiana that any deficit in these shipping operations is fully compensated for by the services rendered the cotton growers, the wheat growers, and the other shippers of our agricultural products?

Mr. SANDLIN. I certainly think so, and I will say to the gentleman from Texas that I have already stated that.

Mr. BLACK of Texas. I beg the gentleman's pardon. I was not present, and he may have covered that.

Mr. SANDLIN. I do not think you can any more call it a deficit than you can call the \$75,000,000 appropriated for good roads a deficit, which appropriation I am very much in favor of.

Mr. BLACK of Texas. I want to say I entirely agree with the gentleman. I think this has been one of the most valuable things we have had.

Mr. SANDLIN. I think the question of a merchant marine for the American people is one of the most important matters that now confronts them and one of the questions on which this Congress ought to have some definite policy. If we had a fixed policy we could with honest, efficient, and intelligent men at the head of the Shipping Board and the Emergency Fleet Corporation let the other countries know we are going to back them up with money to run the ships, because that is what they need.

Mr. BLANTON. Will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. BLANTON. I want to call the gentleman's attention to the fact that this so-called Executive threat to bureau heads does not deter them at all, because the hearings of every subcommittee on every supply bill that has been brought in by the Appropriations Committee will show that bureau heads are there clamoring for things which the Budget has turned down, so it does not deter them. Theoretically we think they are afraid of the President, but they are not afraid of him any more than the naval officers were afraid of him the other day when they came here and tried to get us to override the President's naval program.

Mr. SANDLIN. Before I get away from this question I want to make it plain that I am in favor of the Budget law.

Mr. BLANTON. I am with the gentleman on that.

Mr. SANDLIN. I do not think it ought to be repealed; but at the same time I think the Congress and the committees of the Congress have some rights in the matter, and when the Congress honestly disagrees with the recommendations made by the Budget Board I think it is for us to correct wrongs, if we think there are any, and, in other words, not let the word of the Bureau of the Budget be the law. The Budget was created by this Congress and is a creature of the Congress. Why can not the Congress correct any of the errors of its creation?

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. SANDLIN. Mr. Chairman, I yield myself 10 minutes more. When I get on the subject of the Shipping Board and its operations I am loath to conclude. I hope each year I can say something that will arouse the interest of some Members of Congress who are not already interested in this great question.

Mr. WAINWRIGHT. If the gentleman will permit me, I think there are more gentlemen who share the gentleman's views with regard to the importance of this question than the gentleman thinks. I believe that the membership of this House are really much more interested than would be indicated by the small attendance here. I am sure I share very strongly the gentleman's views.

Mr. SANDLIN. At the hearings held throughout this country from one end to the other last year by members of the Ship-

ping Board there was an unusual interest manifested in the question by all classes of people, by bankers, merchants, farmers, and professional men who appeared before them, and there was universal interest expressed at all points at which the hearings were held, which shows that the American people are very much interested in this very important question.

Mr. McDUFFIE. Let me ask the gentleman one more question and I will try not to bother him any more—

Mr. SANDLIN. The gentleman from Alabama can not trouble me. I am pleased to have him ask any questions.

Mr. McDUFFIE. I thank the gentleman very much. If you take the record of appropriations and the gradual elimination of ships from the seas, together with the smaller and smaller percentage of commerce that our ships are carrying as the years go by, growing smaller each year, does it not occur to the gentleman that somehow or other, instead of expanding a great merchant marine for the benefit of the American people, we are gradually curtailing the merchant marine and that we will eventually, if that line is followed, have the ships off the seas?

Mr. SANDLIN. I will say to the gentleman that in my opinion, under the present policy, this activity of the Government is slowly dying.

Mr. WAINWRIGHT. If the gentleman will permit an interruption at this point, carrying out the line of the gentleman from Alabama, I call attention to the schedule on page 14, which shows that the total number of ships engaged in commerce have dwindled from 392 to 264, from 1923 to 1928, and that the tonnage has decreased from 3,378,342 tons to 2,350,395 tons, or a million tons in less than six years.

Mr. SANDLIN. I want to say, too, that I wish the Members of this body who are so interested, as I am, in seeing our Navy kept up to the 5-5-3 treaty ratio, would interest themselves in this activity of our Government. It seems to me that the American people are the most patriotic people in the world during war or when war clouds are hovering around us, but after that, they relax, and they seem to forget so quickly. If there were any danger of war, you could get this House to appropriate without any question billions of dollars for the purpose of building a merchant marine, but when we ask for a few paltry millions to gradually build up a merchant marine in times of peace, there seems to be but very little interest in it.

Mr. BRIGGS. Will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. BRIGGS. Of course, you can not operate on the seas any more ships than you provide appropriations with which to operate them.

Mr. SANDLIN. That is the reason. I will say to the gentleman from Texas, I am in favor of giving them enough money to operate the ships.

Mr. BRIGGS. And does the gentleman think it is any encouragement toward the operation even of the limited number that might be provided under the \$17,000,000 appropriation to operate the full number when there is a string tied to \$5,000,000 of that appropriation whereby the board has to go to the President every time it turns around?

Mr. SANDLIN. I have already said I thought it was slowly dying.

Mr. BRIGGS. It will die a whole lot faster if you just keep on tacking conditions as to the manner in which they can use the money.

Mr. SANDLIN. I certainly agree with the gentleman, and I am not in favor of that.

Mr. BRIGGS. The gentleman thinks the conditions ought to be taken off?

Mr. SANDLIN. I think they ought to have at least \$17,500,000. That is what they asked for. I have no reason to believe they do not need it. They seemed to know what they were talking about when they came before our committee. They seemed to be well posted and they said it would take \$17,500,000.

Mr. BRIGGS. Will the gentleman permit me to read in his remarks an expression of General Dalton?

In the operation of our various services during the first five months of the current fiscal year the deficits have exceeded by \$2,641,724 the allotment made for these months out of the total annual appropriation of \$13,000,000.

Mr. SANDLIN. I will say to the gentleman from Texas I have already read that in the RECORD.

Another activity of the Government in which I know you will be interested is the American Battle Monuments Commis-

sion. They have presented some figures that all the Members may not be familiar with. There were total deaths from all causes in the war of 74,383; total number killed in action 36,694; total number who died from wounds 13,691; total number of deaths from disease and other causes not directly related to battle 23,998. There were 46,214 bodies of our soldiers brought back from France. The remainder are buried on the battle fields of France and in England. The American Battle Monuments Commission, as you, of course, know, has an appropriation limited now to \$3,000,000 for the purpose of putting suitable monuments and markers on these battle fields.

There is another increase in appropriations made in this bill that I think the committee is fully justified in making. Of course, I feel they are justified in making all the increases they have made, but I have particular reference to the appropriation for the Interstate Commerce Commission.

If there is one thing that makes the people of this country impatient or dissatisfied with the Government, I may say, it is to have dealings with the Government and never get any matter they have up with the Government brought to a conclusion in a reasonable time. The shippers of this country, for instance, have to wait four or five hundred days if they make a complaint about a rate before getting final action on their complaint.

Mr. BLACK of Texas. For example, a number of organizations in the South have made application for a reduction of 20 per cent in the rates upon cotton. I dare say it will take the Interstate Commerce Commission from two to three years to render a decision in that case. I want to voice my opinion that such a delay is an outrage on the shippers. If they are entitled to a relief, they are entitled to it in a reasonable length of time.

Mr. SANDLIN. I agree with the gentleman. They should have an increase in the appropriation in order to give them enough examiners for a more speedy hearing and a decision of cases. There came before us men representing the shippers of the country, well posted, some of them experts who have been in the service of the Government. We find that in nearly all of the departments of the Government a great many of their best men, after becoming thoroughly qualified experts in their line of business in which they are at work for the Government, then they go out into private employ, receiving three or four times the amount of salary that is given them by the Government. I know of no way that that can be corrected. It is true in the Interstate Commerce Commission and in the Internal Revenue Department and other departments. You see men working in the departments familiarizing themselves with the work, and then after a while they go out into the employment of private enterprises. I have no suggestion of a way to stop that. Of course, the Government can not hold them. The heads of the Government are not to blame for permitting them to leave the service because of the increased salary that is offered them.

Now, in conclusion I want to go back to the Shipping Board and say to those Representatives especially in the section where cotton is raised that we are all interested in some agricultural legislation, and if you want to be of real service you should support legislation that will be of real service to them, as it has been proven that it has been as to growers of wheat, cotton, and other farm products.

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

Mr. SANDLIN. I will yield myself five minutes more. One of the Shipping Board members stated that a gentleman from Galveston, a business man, told him that the shipping vessels which had been sent in there to handle cotton and wheat had saved the shippers as much as \$15,000,000 in that locality alone. I do not know how he estimated it, for I do not believe you can estimate the real good that the American merchant marine will do to this country. Of course, we have no reason to suppose, nor can we figure what the rate would be on foreign ships if we did not have our ships to compete with them. It is natural to suppose that any competition would keep down the freight rates and that the rates would be very much larger than they are now if we had no vessels to compete with them.

I trust that before the bill becomes a law some provisions of the bill will be amended so that there will be no question that the American merchant marine and the Emergency Fleet Corporation can use \$17,500,000 to make up the deficit, if you call it a deficit, in the operations beginning on the 1st of June next. [Applause.]

I here insert a comparative statement, which I hope will be of interest to the Members:

Independent offices appropriation bill, 1928

[A comparative statement of the amounts appropriated for 1927, the Budget estimates for 1928, and the amounts recommended in the accompanying bill for 1928]

Object	Appropriations for 1927 in the independent offices, deficiency and other acts	Budget estimates for 1928, regular annual and supplemental	Amount recommended in the bill for 1928	Increase (+) or decrease (-), bill, compared with 1927 appropriation	Increase (+) or decrease (-), bill, compared with 1928 Budget estimates
Executive Office.....	\$819,460.00	\$438,460.00	\$438,460.00	-\$381,000.00	-----
Alien Property Custodian.....	130,650.00	98,000.00	98,000.00	-32,650.00	-----
American Battle Monuments Commission.....	800,000.00	600,000.00	600,000.00	-200,000.00	-----
Arlington Memorial Bridge Commission.....	2,500,000.00	2,500,000.00	2,500,000.00	-----	-----
Board of Mediation ¹	-----	390,000.00	390,000.00	+390,000.00	-----
Board of Tax Appeals.....	614,224.64	570,000.00	712,780.00	+98,555.36	+\$142,780.00
Bureau of Efficiency.....	210,350.00	210,350.00	210,350.00	-----	-----
Civil Service Commission.....	1,001,592.00	1,002,712.00	1,007,442.00	+5,850.00	+4,700.00
Commission of Fine Arts.....	5,295.00	7,300.00	7,300.00	+2,005.00	-----
Employees' Compensation Commission.....	2,744,540.00	2,694,740.00	2,698,240.00	-46,300.00	+3,500.00
Federal Board for Vocational Education.....	843,620.00	798,230.00	798,230.00	-45,390.00	-----
Federal Oil Conservation Board ²	-----	-----	-----	-----	-----
Federal Power Commission.....	29,400.00	32,500.00	32,500.00	+3,100.00	-----
Federal Trade Commission.....	997,000.00	984,350.00	984,350.00	-12,650.00	-----
General Accounting Office.....	3,859,960.00	3,783,000.00	3,833,000.00	-26,960.00	+50,000.00
George Washington Bicentennial Commission.....	10,000.00	14,000.00	14,000.00	+4,000.00	-----
Housing Corporation.....	673,398.00	564,236.00	564,236.00	-109,162.00	-----
Interstate Commerce Commission.....	6,153,157.00	6,104,967.00	7,811,314.00	+1,658,157.00	+1,706,347.00
National Advisory Committee for Aeronautics.....	513,000.00	523,000.00	523,000.00	+10,000.00	-----
Public Building Commission.....	290,000.00	-----	-----	-290,000.00	-----
Public Buildings and Public Parks of the National Capital.....	2,306,850.00	2,422,950.00	2,422,950.00	+116,100.00	-----
Railroad Labor Board.....	285,220.00	(1)	(1)	-285,220.00	-----
Smithsonian Institution.....	833,301.00	849,871.00	879,711.00	+46,410.00	+29,840.00
Tariff Commission.....	699,000.00	682,000.00	682,000.00	-17,000.00	-----
United States Geographic Board.....	345.00	3,945.00	3,945.00	+3,600.00	-----
United States Shipping Board.....	24,198,574.00	12,290,000.00	12,290,000.00	-11,908,574.00	-----
Vermont Sesquicentennial.....	1,000.00	-----	-----	1,000.00	-----
United States Veterans' Bureau.....	462,965,000.00	475,400,000.00	473,400,000.00	+10,435,000.00	-2,000,000.00
Grand total, regular annual appropriations.....	\$513,504,936.64	\$512,964,641.00	\$512,901,808.00	-\$63,128.64	-\$62,833.00

¹ In addition \$100,000 for oil lease investigations.² Appropriations aggregating \$285,220 transferred from the Railroad Labor Board.³ Reappropriation of unexpended balance.⁴ Transferred to Board of Mediation.⁵ Payable from appropriations for 1926 and 1927.

[CLERK'S NOTE.—In addition to the foregoing appropriations, the following permanent annual appropriations are made without action by Congress.]

Object	Estimated for 1928	Appropriated for 1927
Relief of indigent in Alaska.....	\$15,000	\$15,000
Federal Board for Vocational Education.....	7,367,000	7,367,000
Federal Power Commission.....	10,000	3,000
Smithsonian Institution.....	60,000	60,000
Total.....	7,452,000	7,445,000

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from Nebraska [Mr. Howard].

Mr. HOWARD. Mr. Chairman and gentlemen of the committee, so many times there comes to me a letter or a voice from people residing east of the Alleghenies asking me to explain to them that which they do not understand, and that is the economic situation in our Middle West country.

Now, I have asked permission to speak momentarily for the purpose of giving to the eyes of all of our people in the New England realm, as I understand it, about the clearest elucidation of the situation that I have ever read.

A little while ago the editor of Commerce and Finance, realizing the misunderstanding of the people east of the Alleghenies with reference to the Middle West situation, made a request of that wonderful fellow out there in the West, Maj. John H. Kelley, editor of the Sioux City (Iowa) Tribune. That is so close to Nebraska that it makes it more important, and in reply to that request Major Kelley wrote for the editor of Finance and Commerce an article that was published a few days ago.

Mr. Chairman, that article, which I insert here under the unanimous consent granted to me, is as follows:

In the territory east of the Alleghenies and in some few great cities along the Great Lakes, where men and women think almost wholly in terms of the ticker and in cost of production and sales terms, prosperity has continued in abundance until the present time. Fortunes are given away in stock dividends and in bonuses at this Christmas season. Staggering sums have been made and lost in the rise and decline of the stock and bond markets. The great and successful industrial concerns have been able, through combinations or intimate understandings, to regulate production according to demand in so skillful a manner as to maintain high prices for their wares and high wages for their workers. The well-posted middle westerners do not complain about such well-

regulated prosperity. All things being equal in our economic structure, they know that they would share in the prosperity. But because of the marked differential between the industrial dollar and the agricultural dollar 99 per cent of the people living in the Mississippi and Missouri Valleys have fought against an unfair condition in vain for the last five years. These good people speak and think and live literally in the terms and figures of their one vast industry—agriculture, or the farm. They are individuals, whether they be bankers, wholesalers, retailers, professional men, or farmers. So closely are the fortunes of the townspeople interwoven with those of the farmers that the reaction from the surplus of crops or failure of crops is felt almost instantly. There are too many superficial wise men who dismiss the aggravated problem of the Middle West with the trite charge that depression was due to land and other forms of speculation. Figures belie the statement. The cause of complaint and further disaster in many localities is much more fundamental.

In 1921 the conservative men of this territory warned the East, collectively and individually, that a serious situation was impending; that the deflation had been too drastic; that the buying power would be curtailed of necessity, and that the industrial and financial East would come to an appreciation of this condition too late to save itself from grief unless it studied and gave heed to the agricultural problem. The warnings were unheeded, both in New York and Washington. The tickers continued to tick; the wheels of industry continued to run, and an overabundance of gold and money continued to flow into foreign loan channels. Midas was never so blind of others' despair and envy; Croesus never dreamed of the accumulation of such fabulous wealth. If the eastern men, who should have been farseeing leaders, uneasily noted the trend of affairs, they did not raise their voices; they were too busy in their own little confines. And during this five years the middle westerners fought on for survival. Thousands of farm owners and tenant farmers, broken in spirit and unsuccessful in their struggles with the elements of nature and economics, gave up. Many millions of others continue to fight gamely to carry on. There is no question

as to why they buy from hand to mouth. While they are groaning and complaining against inequalities, they have an abiding faith in the sense of American fair play.

Soon there followed the failures in banking and business. Farmers did not know whether they wanted a big crop or a small one. Whether the rain came or the sunshine, it became progressively more immaterial. Prices for all their products, whether fair or low, did not enable them to meet interest charges, costs in transportation, and a consistently high price for their necessities. Buying power declined, therefore, and now the industrial and financial East lends a more sympathetic ear to the plea for equalization. It is unfortunate that the "wise men" of the East delayed until their pocket nerves were affected.

The middle westerners had reason to expect an earlier hearing. They had been generous in voting taxes for all manner of Government subsidies; increases in property and land values had made some 45,000,000 farmers good, substantial citizens and many more millions in the towns and cities willing contributors to every known gouge. They had long been held in the pincers, the handles of which may be called the East and West. They had paid for years higher freight rates and carried a tremendous burden of tax due to high tariffs. They had, in fact, contributed far more than their share to national glory and prosperity. And then, when the pinch came, they received neither understanding nor help nor decent treatment from the East. Considering that agriculture is the foundation for national power and prosperity, it is an amazing thing that there was no one in politics nor business to give support to middle western claims.

Conditions seem never so bad that they can not be worse. On the whole, it may be said that people live close to the soil and starvation is almost unheard of. There is a pride that refuses charity and declines gifts. From the very nature of their living and being, their anger is slow to kindle against injustice and inequality. Optimism prevails; hope springs eternal. Each New Year and every spring bring renewed courage. The gamble with old Dame Nature seems an assured success. When anger and resentment are aroused, however, the task of placating our people by any means will require skill and sympathy. As frankness is the best means to an end, we may state conservatively that conditions in business and agriculture, which are one and the same in these fertile valleys, are neither good now nor fundamentally sound. No half-way measures or profound expressions of sentiment are going to change conditions or check the rising tide of bitterness. The average men in the small town and on the farm are too well posted to accept the old outworn slush and bunkum; they know that they earn their dollars on a basis of world competition and that they have to buy everything in a high, protected market. They know that they have to pay a big differential through freight rates, going and coming, and they are pretty sure by this time that industry, with a capital I, will oppose any and all forms of relief because it wants to buy low and sell high. It is indeed a shortsighted method for industry to pursue, because it eventually kills the geese that are laying the golden eggs—impoverishes its best customers.

Though much ado is made about relief measures, the remedies are surprisingly simple. First perhaps in importance is the lowering of tariffs to a basis fair to manufacturers and buyers alike. Second, means of cheaper transportation, either by railroads or by river and lake routes. Third, the formation of a corporation, with or without Government subsidy, to enable the forty-five million and odd farmers to market their crops at home and abroad in an orderly, well-regulated way; to handle the surplus for this great, unorganized group of producers so that prices will not be subject to the ability and maneuvers of the well-organized buyers. Any one or all of these measures are practical. The development of waterways and the lowering of the transportation costs will take time, and so will not afford any immediate relief to a hard-pressed people. The lowering of tariffs is in the hands of the President, who can give it immediate attention. Congress can then later, by a long and stupid and wearisome and wrangling procedure, make further adjustments. The entire Middle West feels that the charge that the McNary-Haugen bill is uneconomic sounds like so much trash. The Middle West answers simply, that every other kind of business has been granted subsidies through tariffs or direct Government agencies. It is now way past our turn for favors. The other statement, that the Government can not go into business, is just as superficial.

The Middle West does not want it to be in business, but having paid so liberally for its being in business, the Middle West sees no danger and has very good reasons for its giving a little help to this vast territory. And now when the relief measure pending in Congress proposes to charge all costs back to the producers, and the East through its Congressmen continues to object, the Middle West begins to roar. Revolt is not only threatened, but revolt is under way against the forces which control in the East and at Washington. It will be folly indeed to force the Middle West to the place where revenge comes in and reason leaves. Equality only is asked, but soon favors will be demanded and subsidies will be a necessity. Humans, after all, are much the same the world over, and injustice breeds many evils.

As a fourth measure of relief the governors of the Federal reserve banks should make a most liberal interpretation of law in their treatment of banks in agricultural territory so that money could be advanced on a sound basis to small member banks. Fair treatment by the Federal reserve would supply cash to hard-pressed banks and renew confidence of depositors. Such interpretation, to help, must be rendered immediately to prevent much more widespread panic. We do not want more loans but relief to small banks for those loans made and now overdue. If the reserve governors refuse to render this manner of aid, a vast revolving fund must be advanced to take out nonliquid farm paper and to extend time of payment to give farmers, bankers, and business men a respite in which they can work out their own salvation. Given an extension of life, the middle western and southern people will hold their farms, work unceasingly, and feed the world. Without sane help, disaster grows.

Mr. Chairman, I make a further request of my colleagues here, and particularly those of you who come from our New England realm, that you may be pleased to ask the newspapers of your own localities to carry this article from the pen of Major Kelly to the eyes of your own people. Oh, you do not understand us, my friends from the New England country. You are of us, and we are of you, but for long years, governmentally speaking, you have appeared to treat us as though we were not part and parcel of you. We understand that it is a part of the duty of men representing a given locality to look, first, after their own interests, the interests of the people whom they particularly represent; but now let me plead with you just for a little while to look a little more earnestly than you have ever before into the economic conditions in our Middle West, and see if you can not loosen up just a little and help us out of the hole to some extent. I am quite sure that after each of you shall have read this article by this magnificent fellow from out in the Iowa country, a wonderful State which has just been devastated recently, economically speaking, more than any other State in the Union, that it will give you a new insight, a new angle of view regarding the situation out there. I commend it earnestly to you and ask you to spread it as far as you may among your people, in order that they may understand us better. We are not bad. We are peculiar from your point of view, but we are of you, with you, and a part of the Republic, and we want you to take just a little more interest in us than you have heretofore. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. UPSHAW].

GENERAL BUTLER AND PROHIBITION ENFORCEMENT

Mr. UPSHAW. Mr. Chairman and gentlemen, naturally the friends of law enforcement were disappointed when the press dispatches last week carried the statement that Gen. Smedley D. Butler had changed front on the prohibition law and had declared in a speech in Oakland, Calif., that the Volstead law was "foolish, silly," and what not.

Because of my wish to present only the truth, and also because of my very great respect and affection for his honored father, our beloved colleague in Congress, I determined not to adhere to my first impulse to indict the statement of General Butler, but wired in order that I might be absolutely sure of this position. Here is my telegram:

Gen. SMEDLEY BUTLER,

Commander United States Marines, San Francisco, Calif.:

Washington papers carry flaming headlines over story that you declared in speech to-day that Volstead law is "a fool dry act" and impossible of enforcement. Patriotic dry leaders, who loyally applauded your honest efforts in Philadelphia, are deeply grieved at your statement, feeling that no official or citizen should thus encourage the violation of our constitutional prohibition law. I hope you can wire me before Congress meets Friday repudiating this hurtful report. Am anxious to defend you on floor of House.

WM. D. UPSHAW.

[Telegram from General Butler]

SAN FRANCISCO, CALIF., January 7, 1927.

Hon. WILLIAM D. UPSHAW,

House of Representatives, Washington, D. C.

Spoke of guarding of mails. San Francisco newspapers did not publish context. Substance of remarks: "It is not the value of mails stolen that matters, but humiliation to this Republic that counts. I said that marines would uphold the dignity of the Government—that mails would be 100 per cent safe or marines would come back feet first. No half-way upholding of national dignity as in case of silly Volstead Act which has been the greatest piece of class legislation ever enacted in this country; allows the rich to have liquor when the poor can not get it. Had thought law written for everybody, but while a Philadelphia policeman I discovered my mistake. No

other reference to Volstead Act or prohibition. I am emphatically in favor of prohibition and have not said or even intimated anything to the contrary; but I do consider Volstead Act and all other toothless enforcement laws silly in the extreme. Laws to be obeyed must be respected; to be respected the hand of the law must be feared, and the hand of the law will only be feared when mandatory, adequate, and severe penalties attach to violations.

S. D. BUTLER.

I am delighted with General Butler's declaration that he is emphatically in favor of prohibition and has never even intimated anything to the contrary.

I think, however, that it was unfortunate for him to refer to a law passed overwhelmingly by Congress and declared constitutional by the Supreme Court as "a silly act." There are enough teeth in the Volstead law now to make America just about as dry as Sahara if enforcement officials and the courts were as honest as the law is strong.

However, I indorse General Butler's worthy impatience over the fact that the rich so often get by with violations while the poor devil down in the street who is foolish enough to want or sell liquor must pay the penalty. And yet all rich offenders do not escape. Quite a bunch of millionaire bootleggers have done time in the Atlanta prison. I have seen them on the job. By their side ought to have been every gilded drinker who conspired with them to defy a constitutional law. Three years ago I declared on the floor of Congress that the buyer ought to be made equally guilty with the seller, and I also declared that no Congressman or Senator should ever be allowed to darken the door of the Prohibition Unit for the purpose of paying a political debt through the appointment of wet men to enforce a dry law. [Applause.] Pass the Stalker bill before Congress adjourns, making jail sentences mandatory, and let those loud-speaking wets at the other end of the Capitol stop their destructive "damp" foolery and pass the Crampton bill putting all enforcement officers under civil service. The efforts of wet officials to nullify the law of the Constitution which they have sworn to uphold and defend is nothing less than a national moral tragedy. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, on the 29th day of December, last year, Mr. J. T. Holleman, president of the Southern Mortgage Co. of Atlanta, Ga., issued "A call—an appeal—a warning to the farmers of the country and to all those who live and move and have their being in the farmers and the farms."

Mr. Chairman and gentlemen of the committee, I feel in my heart that that appeal is to you and to me and to all the peoples of our great Nation and throughout the earth.

Oh, that every word of its truth might be known of all men and be answered by those to whom it is made. It is so hard to secure worth-while legislation to assist the farmer sell the products of his toil at a reasonable price. It is much easier to get governmental assistance in the making of a crop than in the marketing of it. Even the farmer's enemies want him to produce an abundance so that the profiteer can secure his unconscionable profits from the product the farmer is selling at a sacrifice.

The thief wants his victim to be a man of plenty.

But, Mr. Chairman, when we attempt to secure marketing legislation for the farmers, then the words we utter fall on deaf ears, the seed we sow fall on ground that is stony, our efforts are criticized and ridiculed, and our every move is opposed by hurricanes of opposition at all times and from every direction.

Give us more men who feel as Mr. Holleman feels, see as he sees, work as he works, and who call, appeal, and warn for, to, and in behalf of the most honorable and most worthy and yet the most oppressed people of earth.

Mr. Chairman, I ask unanimous consent that I may extend my remarks in the RECORD by inserting therein the remarks of Mr. Holleman, to which I have referred.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. LANKFORD. Mr. Speaker, under leave granted me, I place in the RECORD an article written by Mr. J. T. Holleman, of Atlanta, as follows:

I call upon the farmers and landowners of Georgia, and upon all those who are wholly or in part dependent upon the farms, to rouse themselves to action. I advise that, without a moment's delay, they consult among themselves and assemble in meetings in every county—

yes, in every community—for the purpose of ending present conditions, and for the purpose of finding ways and adopting plans that will save them from further distress.

A WARNING TO THE FARMERS

I warn them that if they delay longer, they do so at their peril. I warn them that if they await leadership outside their own ranks, they will wait in vain. I warn them that their real condition is unknown to and unappreciated by many who have assumed leadership in matters agricultural. I warn them that many newspapers and prominent men in the large cities of the State are blind to the facts and have disqualified themselves for leadership by taking the position that unbounded prosperity exists on the farms, when the truth is that not since the Civil War have conditions in some respects been so unsatisfactory. I warn them that their fate is in their own hands, and that if they hope to escape poverty and want to preserve their freedom and independence, they have no time to lose.

Let meetings be held at once in every locality. Meetings of the farmers, for the farmers, by the farmers. Meetings of landowners. Meetings of merchants, bankers, and professional men. Meetings of women. Meetings of all those whose lives and fortunes are bound up with the farmers, who realize the condition of the farmers, who know that something must be done, and who believe that something can be done to bring relief.

At these meetings let resolutions be adopted memorializing the President and Congress and calling upon our Senators and Representatives at Washington to unite with those from other States in the passage now, at this session, of laws that shall restore prosperity to the farmers of the whole country. There is no time to lose. The fight for farm relief will start again in Congress in January. Let your Representatives hear from you at once and in no uncertain terms.

CHRISTMAS MESSAGE AND NEW YEAR'S GREETING

This is my Christmas message and my New Year's greeting to the farmers of Georgia, to those who own farm lands and to those who dwell in the towns and villages of the State and who live and move and have their being in the farmers and the farms. And if this message reaches you and strikes a responsive chord in your heart, it would please me greatly to know it. But writing me will not be sufficient. Write to your Senators and your Congressman. Write to your governor. Write to your newspapers. Above all, talk to your friends and neighbors. Get them together. Protest with all your strength against existing conditions. Demand relief.

And I say to the farmers of Georgia and of the whole country, for they are all in the same boat, that it makes little difference what they plant or how they plant it, what they grow or how they grow it, what they sell or how they sell it, what they buy or how they buy it, how much or how little they produce, they seem to be falling deeper in debt every year, and will continue to do so, unless they rise in their might and break the shackles that bind them. They are victims of unjust and discriminatory laws. All other lines of business and industry are protected and supported by laws in a thousand ways. Farm relief is purely and certainly a matter of legislation. Relief must come from Washington. It can come from no other source. In the fight for farm relief the guns must be trained on the Congress of the United States.

BIG MEN, BIG BUSINESS, AND BIG TOWNS

And I say to the big men and the big interests in the large cities in Georgia and elsewhere, that, if they expect these cities to continue to grow and prosper, they must see to it that agriculture does not languish and die. Something must be done to change the present trend. Tenancy is on the increase everywhere. The number of abandoned farms grows rapidly. We have found the road that leads to peasantry, peonage, and serfdom, and many there be that walk therein. We are going the way that Mexico followed, till 10 per cent of the people got all the land. We are traveling the road that Russia traveled under the czars, the road that led to the bloodiest revolution in the annals of the human race.

If my business for nearly 50 years had not been with the farmers, I should, perhaps, be just as indifferent to present conditions as many other men appear to be. I know that Atlanta is not so dependent upon agriculture as most cities of like size in the South and West. I know that a great industrial development is taking place in Atlanta and throughout contiguous territory, and the falling away of the farmers' patronage is not felt nor noticed as would be the case if her territory were purely agricultural. While I glory in the rapid progress being made in many lines of business and industry, here and elsewhere, I know that back of it all lies agriculture—the farm and the farmer. I know that when agriculture languishes, when the farm is idle, when the farmer is not prospering, all things else are endangered. "Here I stand, I can do no otherwise. So help me, God!" And, feeling so, at the risk of being misunderstood, of being called an alarmist, an extremist, standing almost alone here in Georgia, I have, from time to time, raised my voice in protest and attempted to remedy conditions. I can not understand the stubborn opposition to a consideration of the

farmer's case. A flood or fire or tornado in any part of this country brings quick relief to the sufferers. An earthquake in far off Japan opens the purses of the world. But when millions of farmers, with their wives and children and their dependents, are forced from their homes, when the doors of more than 3,000 banks shut with a bang in the faces of ruined depositors, nothing is done! The great Republican Party—and the great Democratic Party, also—for honors are even in this matter—fear to permit the Congress of the United States to take any action, insist that the matter can be and must be handled outside the halls of legislation, and the distinguished occupant of the White House utters not one word of encouragement.

THE NEWSPAPERS DO NOT PLEAD THE FARMERS' CASE

And may I tread on sacred ground and venture a word to the newspapers? With the humiliating experience of many Senators and Congressmen last session still in mind, surely southern editors will not place themselves in a similar predicament. It will be remembered that many southern Members of the House and Senate were totally unprepared for the fight for farm relief, and they said so. Also, their votes showed it. Now, I do not know what is going on in other Southern States, but I assert that Georgia newspapers are dodging the issue of farm relief. In order to avoid discussing it, they are glossing over the ugly conditions existing in agriculture. Either they do not know what conditions are, or they are concealing them. Those who call attention to them are denounced as calamity howlers. These newspapers are in for a rude awakening. When the fight comes on in earnest, as it must come, these papers will also be unprepared. Unless President Coolidge permits the enactment of farm-relief legislation at this session or at an extra session, the chief issue in the next national election will be farm relief, and some man standing for farm relief will be our next President.

One who knows the facts is lost in amazement when he reads these high-sounding editorials or hears one of these boosting speeches. I often wonder what the farmers themselves think of this sort of talk. I challenge any one of these newspapers to interview an intelligent farmer in Georgia and obtain from him a statement that will bear out these boosting editorials. And when we come to think of it, has any newspaper in Georgia taken the trouble to go out among the farmers, talk to them, find out the facts, and give their readers the benefit of what the farmers say and feel and think of conditions? If such a thing has been done by any newspaper, I have not heard of it. They have not done it, they will not do it, they dare not do it. They do not want to learn anything that conflicts with their fanciful ideas about the farmers and the farms.

Have we reached the point in Georgia when the newspapers can not find out in the country a real farmer whom they consider of sufficient intelligence, character, and standing to be interviewed and quoted? Is information about agricultural conditions to be furnished by farmers or by others? Does it not seem that the farmers themselves should know more about their troubles than anybody else? Then why not let them be heard? If there is such great prosperity in the country, doesn't the farmer know it? Why not ask him? Why not interview him? Why not quote him? Give him a chance to speak for himself. Do the editors and the bankers and the professional boosters want the truth, or are they bluffing their way through?

I say to the farmers of Georgia that they must speak for themselves if they expect relief from the troubles that overwhelm them. Have the hardships of the last six years so crushed and broken them that they have lost all fighting spirit? Are they ready to surrender, or are they longing for some way out of their troubles and prepared to defend their families, their homes, and themselves? If so, it is high time for action. It is high time for them to meet and organize and get ready for the struggle that is ahead. It is high time for them to find out what has reduced them to these dire straits. It is high time for them to find the remedy for the ills that beset them. They themselves must act. Nobody else is going to do it for them.

A FEDERAL FARM BOARD NEEDED

Farm relief will undoubtedly be a live question at this session of Congress. It is unnecessary to rehearse the misfortunes of the farmer since 1920. Those who are interested know what the situation is. Those who are not interested care little about it. It is a fact that unprecedented prosperity exists to-day among all classes except the farmers. Many people have hoped and believed that in time better conditions would prevail on the farms. But after six years little progress has been made. It was the realization of this fact that impelled the western farmers to bring forward the Haugen bill in the House, and when that was defeated, to renew the fight in the Senate in an effort to pass the McNary bill, which embodied the same principles. Brushing aside all technicalities, there can be no relief for agriculture except in higher prices for farm products. This was the purpose of all the farm-relief measures. I favored these bills because I wanted to see set up in Washington a Federal Farm Board, which would care for all the interests of the farmers of the whole country which would look, not only to the handling of certain basic crops, but to all the products of the farms; which would labor,

not only to increase prices of what the farmer sells, but to lower where possible, the cost of what he buys; a board that would lift the farmers out of poverty, save them from penury, make them self-respecting, free, and independent; enable them to be what they want to be—home-loving, liberty-loving defenders of their country, in peace and in war, as they always have been, as they always will be, unless crushed to death by the selfishness of the industrial, manufacturing, financial, and transportation interests of the Nation.

DEPARTMENT OF AGRICULTURE DOES NOT FILL THE BILL

No long ago the Interstate Commerce Commission ordered a reduction on fertilizer freights to southern points. I don't know who brought this about. If it were right to do this, why was it not done long ago? If a reduction of freight rates on fertilizer was proper and can be put into effect, why may there not be other commodities on which reductions should be made? Who is looking after matters of this sort? The Federal farm board could do this very thing and many other things of like nature. There is a tariff at this time on peanuts and peanut oil, although these commodities are strictly southern. Even Democrats favor this tariff. There may be other agricultural products to which tariffs might be applied. Nobody is looking after such matters. On the other hand, there may be commodities which the farmers buy on which tariff should be removed or reduced. Who knows? Who is watching such matters? Nobody. Creation of a Federal farm board would give the farmer a friend at court. The present Department of Agriculture does not and can not fill the bill. Something more is needed. If the Department of Agriculture were in Honolulu or Johannesburg it would be no farther removed than it is now from the farmers of Georgia to all intents and purposes. So far as I can recall, no Secretary of Agriculture in my time has set foot on Georgia soil, with one exception. David F. Houston, Secretary of Agriculture in the Wilson administration, came to us, but not to visit the farmers, not to discuss matters agricultural. He came with Secretary of the Treasury McAdoo, on the matter of locating the Federal Reserve Bank.

AGRICULTURAL DISASTER HAS FAR-REACHING EFFECT

In the minds of many people the farmer is pictured as a hale and hearty fellow, dressed in overalls, with a pitchfork on his shoulder and a wheat straw in his mouth, walking over his farm or moving among his cattle, while his wife busies herself with the milk and butter, the chickens, and the garden, and his children pick red apples from the green trees in the orchard.

If he now claims to be in distress, there are those who think he is not as economical as he should be, or that he was swept off his feet by war-time prosperity and foolishly bought another tract of land and can not pay for it, or that he has invested in a Ford and thus wrecked himself forever. And many people think farm relief is intended for and relates to men of this type only. They do not know that, outside the large cities, nearly all banks, bankers, merchants, and professional men own farm lands, to say nothing of thousands of women and children solely dependent upon what their farms bring them in rents and otherwise. Few realize how widespread and far-reaching is the distress that follows in the wake of disaster in agriculture. In a late paper Mark Sullivan says the whole country is rolling in prosperity except a little spot in the Middle West. I don't believe the western farmers will agree with him. I am quite certain the Committee of Twenty-two from the 11 great Corn Belt States will say he is wrong. I say he is wrong as to Georgia and the South. We produced in Georgia this year 1,500,000 bales of cotton. Secretary Hoover says cost of production was 18 cents a pound, or \$135,000,000. We sold it for less than \$80,000,000, thus losing nearly \$60,000,000 in Georgia alone. The loss for the Cotton Belt was \$750,000,000 according to the president of the New Orleans Cotton Exchange. What a tragedy! If England controlled the cotton crop as we control it, the world would to-day be paying 50 cents a pound for every pound it needs and be glad to get it at that price. As a war-debt payer, rubber would sink into insignificance in comparison with cotton.

In a recent paper, Roger Babson says crops are fair all over the country, but, unable to resist the temptation to prod the farmer for lagging behind, he adds that there seems to be no hope for higher prices for farm products, and he advises the farmers to reduce the expenses of conducting their farms. This is the only hope he can hold out to them. How can the farmer reduce expenses further? Has he not learned to cut them to the bone during the last six years? Can he reduce taxes, State or national? Can he reduce freight rates? Can he reduce prices of clothing for his wife, his children, and himself? Can he reduce doctors' bills and hospital fees? Can he cut the prices of farm implements and machinery? Can he pay less for labor when it is already impossible for him to hold his help in the face of higher wages paid in other industries? Of course he might withdraw his children from school, he might reduce the allowance for his wife's clothing to the point where she would be ashamed to appear in public, he might, himself, break all contact with his fellow man and live with his wife and children like

rabbits in the fields. And this seems to be what some people think the farmer should do. All they are interested in is the farmer's "purchasing power," and when that is gone, their interest ceases.

DIVERSIFICATION ALONE NOT THE REMEDY

Diversification! Ah! Now we come to the solution of the whole problem. Here is the cure all. Here is the panacea for all our ills. Here, indeed, is Utopia. We have found it. Let all shout "Eureka!" From President Coolidge and Secretary Jardine, right on down through governors, Senators, Congressmen, college heads, magazine writers, and newspaper editors, we are told that crop diversification is the remedy for all the troubles that afflict the farmers of the country. But, before they finish their lectures on the subject, they always say: "Of course, we must not cease growing cotton; we must produce some cotton; the world needs cotton; we can not afford to abandon cotton entirely; for cotton, you know, is our money crop." Money crop indeed! Since when? I am in the middle sixties and I have never seen the Georgia farmer really prosperous but once. That was from 1917 to 1920. And during that time his cotton brought him 25 to 40 cents a pound; proving conclusively that he can not prosper when prices are lower.

And let me ask the advocates of diversification how the production of other crops on the farm will cut the cost of producing cotton the same year on that farm? Would the fact that some Georgia farmer this year produced corn and oats and wheat and potatoes and tobacco and peaches and what not, and that he had cows and hogs and a few goats, have enabled him to produce "some cotton" on "reduced acreage" at less than 18 cents a pound (Government figures) and enabled him to escape a loss of \$35 to \$40 on every bale he produced? I will be glad to have an answer to this question from anyone from the President on down. And while we are on this subject, let's go to the bottom. How can we be so dead sure that our farmers are making any money on these wonderful crops that are described as "diversified"? How do we know that they are not losing just as much on these crops as on cotton? As a matter of fact, I think they are, but the facts are not so easily got at as in the case of cotton. I have not the slightest doubt in my own mind that the percentage of losses is greater on melons and peaches and tobacco and fruits and vegetables, corn and wheat and oats, and other diversified crops, than on cotton. But we hear nothing about it and know less.

WESTERN FARMERS ALSO IN DISTRESS

If only Georgia farmers and southern farmers were in distress, we might feel that overproduction of cotton and failure to produce other crops cause our troubles. But those who are informed know that farmers are suffering everywhere. If those Western States where cotton can not grow and where the farmers produce in abundance all the crops we have recommended to us as life savers, the distress in agriculture is even more pronounced. And it is the cry for help from the western farmer that has reached the ears of the Washington administration. If wheat and corn and livestock can not save the western farmer, why should we think they will save the southern farmer, especially when the southern farmer is expected to grow "some cotton" and loses on that cotton \$35 a bale?

We are bound to conclude that something is radically wrong in reference to agriculture. The explanation is not to be found in methods of farming nor in the character and volume of crops produced. The trouble lies deeper. The difficulty in fact is to be found in unfriendly, unfair, unjust laws, and the lack of intelligent legislation in the interest of agriculture. The industrial, financial, and transportation interests of the country have hogged everything. The farmer is out in the cold. The losses sustained by the farmers since 1920 just about equal the total cost of the World War, and I am of the opinion that when the struggle is ended and the future historian arrives at the facts and sets down the figures it will be found that the entire cost of the war came out of the farmers' pocket. To accomplish this has been no trick at all, when we remember that the farmer's dollar has been worth only 60 to 80 cents while the dollar of everybody else was worth 100 cents, and when we remember the farmer gives to the world every year agricultural products for which the consumer pays \$21,000,000,000 and that the farmer retains only \$7,000,000,000 of this stupendous sum, and that the \$7,000,000,000 does not equal cost of production. Oh, it's a great game—this process of bleeding the farmer and the farms.

There are those who see no speedy relief for agriculture, who do not believe Congress will act, or that the President will sign any bill, or that southern Senators and Representatives will change the position they took in the last session, and that there is nothing we can do except permit, without protest, a further abandonment of farms, waiting as best we can for the time when the scarcity of food products and clothing material will bring about an increase in prices sufficient to cause a return of many to the cultivation of the land. This is, indeed, a gloomy view, but this is exactly what is going to happen if we do not wake up. At this crucial moment I turn with hope to those who still dwell on the farms, to others who own farm lands, and to still others who live in the towns and cities and whose interests are bound up in the farmers and the farms of the State. They can save the situation, and when they fully realize what it is and understand

how to do it I believe it will be done. And to these people I make my appeal.

Many advocates of diversification with the customary enthusiasm of recent converts talk as though they had discovered something new. The files of the Atlanta Constitution, the Macon Telegraph, the Augusta Chronicle, the Savannah Morning News, the Columbus Enquirer-Sun, and other papers will show that the fight for diversification began almost before the smoke of conflict lifted from the battle fields of the Civil War and has continued to this good hour. More than 50 years ago Sidney Lanier, in his poem *Corn* painted an unforgettable picture of a farmer brought to utter poverty and misery by all-cotton farming. Forty years ago Henry Grady advocated diversification, and his writings and speeches on the subject have never been surpassed and never will be. What he could not accomplish lesser men need not undertake. And, coming down to little men, I am myself a believer in diversified farming and have ever been. For more than 15 years I have said so from time to time in the Atlanta Constitution. But I am forced to the conclusion that no substantial progress has been made, and I said so a few days ago in another article in the Constitution.

FUTILE EFFORTS OF COLLEGE OF AGRICULTURE

Dr. A. M. Soule, president of the State college of agriculture, is perhaps the most earnest advocate and the ablest exponent of diversification in the whole country. His work in this matter is not only well known in Georgia but his reputation has extended far beyond the borders of the State. If it were possible to make our dreams of diversification come true, he should be able to do it. And if it were possible to make diversification successful anywhere in the State, surely it would be in the home territory of Doctor Soule and the college of agriculture. But what do we find? Those who are informed and who are not afraid to speak the truth know that at this moment the agricultural distress that exists in those counties that lie under the very shadow of the State college of agriculture is greater than in any other part of Georgia. This, in spite of Doctor Soule's presence and help, and in spite of the efforts of many able teachers and experts connected with the college.

I have often wondered why the efforts of these great Georgia newspapers, extending over this long period, have produced no better results. I have wondered why the songs of Lanier and the brilliant eloquence of Grady made so little impression upon the farmers of the State. I have wondered why the heroic efforts of the Georgia association and of Doctor Soule and his devoted band of able assistants have availed so little. Slowly, during the last six never-to-be-forgotten years, the explanation has been dawning upon my mind. I understand it all now, and it is very simple. We have never received, and we do not now receive, fair prices for the products of our farms. As I said in beginning this letter, it matters not what we plant, nor how we plant it, what we grow, nor how we grow it, what we sell, nor how we sell it, always and ever, what we put into the farm and into the crops seems to exceed what we receive in return. And this, through no fault of our own. Nor is it possible to change this situation by taking thought along the customary lines. We must dig deep for the remedy.

THE THING THAT BROKE THE FARMER

Always and ever the farmer buys the things he needs in a market controlled by price-regulating laws. Always and ever he sells in the open market with no laws to protect him in the price he receives. This has always produced a disparity between agriculture and business of every other kind and character. Before the World War this disparity, this discrimination was not so great, and in former days the farmer managed to make some progress and through the slow increase in the value of his land was fairly well satisfied. But all this changed with the close of the World War. Promptly, unceremoniously, with the signing of the armistice, the powers that be determined that war prices should continue in all lines of business, manufacturing, finance, and transportation, but that wages to labor and prices for food and clothing material should go back to a pre-war basis. And war prices have continued in all these lines up to this good hour, with no prospect of ever being less.

But when the powers that be attempted to reduce wages they met fierce resistance at the hands of the labor unions. There was a struggle to the death and the labor unions won. The farmers were not so fortunate. Unorganized, widely separated, without leaders, they were an easy prey. They were deflated promptly, completely, scientifically, unmercifully. One meeting of the powerful Federal Reserve Board—that secret meeting later on uncovered and exposed by Richard H. Edmonds, editor of the *Manufacturers Record*, a meeting undoubtedly dictated by those same powers that be—one meeting and the work was done. This explains the desperate condition of agriculture to-day all over the country. This is the thing that saddled upon the American farmers a debt of \$12,000,000,000—a debt \$1,000,000,000 more than the amount due to the United States by its European allies in the Great War, which is only \$11,000,000,000. Foreign countries have been given 50 years in which to pay the \$11,000,000,000. The American farmers are told to pay the \$12,000,000,000 they owe and be quick about it.

THE REMEDY IS FAVORABLE LEGISLATION

To remedy this situation will require something more than the hog and the cow and the wonderful hen. Something more than peanuts and peaches, tobacco, corn, and pecans. Something more than a reduction in cotton acreage, something more than the Coolidge Cotton Commission. Something more than bumper crops sold below cost of production. To remedy his condition the farmer must receive higher prices. If he can have proper prices, he will make money, no matter what he plants, whether cotton and corn and oats and potatoes, as of old, or whether he adds to these crops all the new-fashioned ones so highly recommended. Any farmer who can sell his produce for more than cost of production will make money and any farmer who makes money takes to diversification and livestock like a duck to water. Not otherwise.

The way by which prices of farm products can be increased will be found in some plan of taking surplus crops off the market as proposed in the Haugen and McNary bills in the last Congress and as will be proposed in some form in this Congress. If this plan is not adopted, or if, when adopted, it does not bring full relief, then something must be done to reduce the cost of the things the farmer has to buy. And if the fight reaches this phase, there will be a battle royal. Those who have been selling the farmer everything he uses at prices fixed and supported by laws of every sort, will contest every inch of ground when attempt is made to change those laws. But they must be changed if agriculture is to survive. The fight, if it reaches this stage, will be long and bitter. Arrayed against the farmer will stand all the other commercial interests of the country—the railroads, the manufacturers, and all the great employers of labor, for all these want cheap food and clothing for their workers, because if the prices of food and clothing rise, these workers will demand more pay.

Those who represent in Congress the agricultural States must get down to hard work, just as those who represent the financial, manufacturing, and transportation interests of the country do and always have done. Southern and western Senators and Congressmen must analyze the laws that fix the prices the farmer pays for every article of clothing for himself, his wife, and his children, from the crowns of their heads to the soles of their feet. They must examine the laws that control and fix the prices of his implements and machinery for all the supplies used on his farm. They must go into the whole matter and be prepared to present and defend the farmer's case at every turn. No one bill, no one single act of Congress, will answer. The laws upon the statute books discriminating against the farmer are numberless. For years they have been accumulating. Every interest has made certain that it got the legislation it needed. The farmer asks no special favors. He does insist that laws that discriminate against him be repealed and that if other interests are fostered and protected by law, then laws that will protect him must be enacted. That is all he asks—that is what he must have or he will abandon the farm. He is at the end of the row. He can struggle no longer.

THE WHOLE STATE IS SUFFERING

Few people realize the withering, blasting effect of the last six years upon the agricultural population of this State. We know how quickly the spirit of an individual or a family can be crushed and broken by failure and misfortune, but we do not stop to consider the effect of failure, misfortune, and poverty upon a State. When 300,000 people abandon sixty-odd thousand farms in Georgia, to say nothing of other States, who can estimate or appraise the effect upon those who remain, especially when the number of those who remained is being daily diminished. Mr. F. H. Abbott, the able secretary of the Georgia association, replying to me in the Constitution, says he expects to see 25,000 more farms abandoned. I think he will see this unless Congress gives relief.

In 1920 we had 310,000 farms. By 1925 we had lost 63,000, or at the rate of 12,000 a year. Counting 12,000 more for this year and adding the 25,000 Mr. Abbott says are yet to go, and we have a total loss of 100,000 for the State. We now begin to see why Georgia has made such a wonderful showing in the matter of reducing cotton acreage. We have hit upon the ideal method of reducing cotton acreage. Instead of pursuing the uninteresting program of 25 per cent reduction on each farm, we at one fell swoop eliminate one-third of all the farms, lock, stock, and barrel—vacate, abandon, turn our backs on them and leave them to the foxes and the owls, the moonshiners and the timber thieves.

A few days ago Mr. Thomas Cadett, the young English newspaper man now sojourning in Atlanta and contributing brilliant articles to the Atlanta Constitution, made a trip to Waynesboro, to see what he could see. And what did he see? He journeyed 180 miles, going from the foothills of the Blue Ridge to the greatest cotton-producing county in the State. He saw some red and some yellow dirt. He saw nothing green except the evergreen, the live oak, and the pine. He saw no pastures, but did see one or two cows, indicating at least one or two pasturing places. He saw withered cornstalks in the rain-gullied fields. He saw vast cotton fields where the once snow-white fruitage was rotting on the plant. He saw storm-beaten shacks, which we call tenant dwellings. He saw one or two old colonial homes, sad remnants and reminders of "the glory that was Greece and the grandeur that was

Rome." When he got back they told him in the Constitution office that he had gone to the wrong place, just as we always tell the fisherman who fails to catch any fish. Mr. Cadett made a great mistake. He should have had a guide. His should have been a personally conducted pilgrimage. There are newspaper men in Atlanta and in all our cities who make a specialty of seeing and writing about things they think will please people away off yonder somewhere, and lead them to believe that Georgia is a veritable garden spot, that she has reduced her cotton acreage to the last notch, and that her diversified crops are the most pluperfectly diversified crops in the world. On his next trip Mr. Cadett should get one of our boosting newspaper correspondents to lead the way.

WHAT STANDS IN THE WAY OF FARM RELIEF?

The greatest obstacle in the way of bringing relief to agriculture is the fact that there are those who insist that there is no ground for complaint by the farmer; those who, in Georgia, point to the bountiful crops as evidence of prosperity. These people mislead men of wealth and influence in the cities, who, if they knew the facts, would take steps to correct conditions. They mislead our Representatives at Washington, many of whom follow the line of least resistance. They actually mislead each other, and we have a fine example of the blind leading the blind and all falling into the ditch. Well-informed men know that agricultural conditions are unsatisfactory. And I make the statement deliberately and as one who has always lived in the State and who has had business relations with farmers for nearly 50 years. Those who proclaim agricultural prosperity in Georgia at this time are not informed or they are willing "to crook the pregnant hinges of the knee that thrift may follow fawning."

THE COOLIDGE COTTON COMMISSION

A short time ago, when the crash came in cotton prices, it was announced with a great flourish that President Coolidge had come to the rescue by the appointment of a cotton commission to cooperate with the bankers and save the situation. Eugene Meyer headed the commission and Secretary Mellon, Secretary Hoover, and Secretary Jardine were the other members. The purpose of the Coolidge Cotton Commission was twofold. In the first place, it was thought that a show of help by the administration would win the heart of the South and prevent southern Senators and Representatives in Congress from joining hands with the West in an attack on the high tariff laws of the country. This was the prime reason. In the next place, it was a sop to the business interests of the South, in that it enabled them to make sure of their usual profits out of the great cotton crop produced this year. When the Coolidge Cotton Commission was named the cotton growers of the South were already bankrupt.

The commission simply took charge of the assets of the bankrupt farmer. His creditors already owned all this cotton, picked and unpicked, ginned and unginned, baled and unbaled, sold and unsold. He held no further interest in the cotton he had grown, and the Coolidge commission had no interest in him except to honey him along till he had picked and ginned and baled and brought to the warehouse every snow-white lock and every oil-producing seed! And let me tell you that 20,000,000 bales of cotton is one juicy morsel! Oh, the millions upon millions of profits that will come to those who touch it all along the way from the ruined and hopeless men who produced it to the ultimate consumers. They proceeded to conserve the assets of the bankrupt farmer, so that there would be no losses of customary profits to the railroads, the steamship lines, the bankers, the warehouseman, the fire insurance companies, the compress companies, the cotton mills, and others in exploiting the great cotton crop of 1926. It had been feared for some time that the horse was unsafe in the stable. They not only let the horse be stolen, but gravely proceeded to lock the door of the stable after the horse was stolen, and then they took charge of the horse! And they have him at this moment! The 12 Federal land banks belong to the farmers, but the Federal Farm Loan Board, which controls these banks, is permitting itself through the intermediate-credit banks to be used as the instrumentality for shielding from loss, not the farmers of the country, who own these banks and who produced all this cotton, but everybody else who has anything to do with the crop after it leaves the farmer's hands. The milk-and-water scheme of retiring a few million bales of cotton for a definite time is a lame imitation of the plan for handling surplus crops set out in the Haugen and McNary bills before the last session of Congress. Every man on this commission and the distinguished author of the commission opposed these bills, because they believed these bills would accomplish the purposes intended.

If the able bankers of the South who have been so active in carrying out the plans of the Coolidge Cotton Commission had with equal enthusiasm got behind the Haugen and McNary bills last summer, we would have had set up then machinery for doing thoroughly and completely the thing they are now trying to do in a hurried, haphazard, and ineffective manner; cotton prices would have been held above the cost of production in spite of the big crop, and the cotton growers would have been able to pay their debts. Too late now!

REDUCTION IN ACREAGE NOT THE REMEDY

And we are told that the success of this holding movement and the very existence of cotton growers depend upon a drastic reduction in

acreage. This is a new doctrine for some people to preach. It is not so long ago that mill owners in New England, old England, and the South denounced as criminal the curtailment of a product so necessary to the commerce of the world and the comfort and happiness of unnumbered millions. Every student of such subjects knows that a reduction in acreage does not necessarily mean decreased production. The statistics on cotton disclose that acreage does not always regulate the size of the crop. And suppose we cut the acreage one-fourth next year. Suppose there should be a drought, such as we had in 1924 and 1925. Or suppose the rains should come and the floods descend, as we have seen them. Or suppose the boll weevil or some other pest should destroy the crop, as we have seen it destroyed, and that, not long ago. What then? Will the farmer still be held accountable? Will he still have to bear the losses? Will he again be denounced for having so little sense as to cut his acreage when the whole world cries for cotton?

And if reduction in cotton acreage is so necessary, why not do it right? Why not ask Congress to pass the Haugen and McNary bill or a similar bill, and set up in Washington, as was proposed, the Federal farm board, to look after this very matter, among others? That was one of the very things proposed last summer, but Senators and Congressmen, who have since called for an extra session, could not see the point then. Some people profess a great horror of such a board. The Federal Reserve Board is all right; the Interstate Commerce Commission is wonderful; but when it comes to a board in the interest of the farmer, the very foundations of the Government are said to be threatened and a mighty protest goes up from those who can only conceive of farmers as hewers of wood and drawers of water for the balance of the human race.

What is this cotton-holding scheme which southern banks have entered into and agreed to help finance? About 4,000,000 bales are to be withheld from the market for not more than 20 months. Will the banks pay the carrying charges, storage, and insurance and the other expenses on the cotton? No. Who pays these charges? The Federal Farm Loan Board, through the intermediate credit banks. Where does it get the money? From the 12 Federal land banks and the intermediate credit banks. Who owns the Federal land banks? Why, they belong to the farmers who have borrowed money from those banks and who own all the stock in these banks. Then it may be that these farmers are really paying all the expenses of carrying this 4,000,000 bales of cotton for 20 months? Exactly. Beautiful scheme, is it not? We now begin to see what a valuable horse it was that disappeared from the stable. We can but faintly imagine also how grateful cotton spinners in Europe and America must be to have all this cotton carried without expense to them till they need it, and how doubly grateful they must be to know exactly how long it will be held for them.

If it is a good thing for the bankers to unite in a hurry call holding movement when the cotton crop is a large one, why not have Congress, after proper investigation and deliberation, set up a permanent board that will do the job right? Would it not be better to prepare in advance rather than wait for the storm to sweep us off our feet? The Haugen and McNary bills had this very thing in view. Under these bills the farmers themselves sought to do for themselves the very thing the Coolidge Cotton Commission now seeks to do, not for the farmers, but for those who are always in line for the exploitation of the cotton crop. Under these bills the farmers themselves would have borne all the expenses of holding the surplus, just as they will perhaps pay all the expenses of the holding movement of bankers. But under the Haugen and McNary bills they would still have retained an interest in the cotton being held and a chance to come out whole. Under the plan now in operation they may pay the expenses after having already parted with their cotton and lost \$35 on every bale produced.

A NEW THEORY OF FINANCE

There are those who say that the cotton growers of Georgia and the South have not been hurt by low prices, even though these prices are below the cost of production. Prominent men have seriously asserted that the large crop overcame low prices, or at least evened up things, and left the farmers in fine shape. The first time I heard or read this statement I was sure it was made inadvertently. But as it has been repeated so often, there are some who evidently believe it. This statement was made in the bankers' meeting at the chamber of commerce addressed by Mr. Eugene Meyer. I felt certain that distinguished financier would take issue with the speaker, but he did not. Think of it! Every pound of cotton produced this year in Georgia cost the grower 18 cents. Every pound of cotton sold in Georgia this year brought the grower not over 11 cents, and in thousands of instances much less. Yet we are told that we produced so many pounds that we lost nothing, and are in better shape than ever. "Can you beat it?" An old Decatur Street merchant used to say he made money selling suits of clothing below cost because he sold so many of them, but never till now have I heard such talk from leaders of finance and captains of industry.

MANUFACTURING AND INDUSTRIAL DEVELOPMENT

There is great enthusiasm now over the rapid industrial development in Georgia. The statement is made almost daily in the news-

papers that the value of our manufactures now exceeds the value of farm products. Is not this true because agriculture has been neglected and discriminated against in many ways, while industrial enterprises have been favored and fostered in every way? There are those who lay great stress on a system of "balanced farming." I lay greater stress on a balanced development of Georgia and the South. To neglect or oppress agriculture in a State so largely agricultural is to overlook our greatest asset. We should be proud of the strides we are making in industrial growth. At the same time we should be ashamed of the showing we are making in agriculture. I am not sure of the figures, but I suppose that 80 out of 100 people in Georgia are dependent upon the farms directly and indirectly. It is a cruel thing to boast of the prosperity of 20 per cent of our population and give no thought to the status of the remaining 80 per cent. The value of farm products is now less than the value of our manufactures solely for the reason that prices of farm products are too low. If the prices for farm products can be maintained above cost of production, their value will greatly exceed the value of manufactures.

If what we have accomplished industrially in so short a time has thrilled the State and given us all a new vision of our destiny, what will be the result if we can find some way by which agriculture can be rejuvenated and the farmers also made prosperous? If towns and cities on the bleak and barren soil of New England have become rich and powerful through manufactures alone, what mind can conceive or what pen portray the future wealth and power of Georgia, if, in addition to the establishment of great industrial and manufacturing enterprises, she can also be enabled to give full development to her agriculture. I fear that some of our leading men have given up hope of improving agricultural conditions, and have decided to devote their time and thought and capital to industrial enterprises. And I am inclined to believe that the reason so many people try to conceal the ugly conditions in agriculture is due to their fear that the truth may prevent industrial capital and manufacturing plants from coming into the State. At first the boosters applied the term "diversified" to the products of the farm. They are now using this word in reference to all the enterprises of the State. So "diversification," as these men now employ the term, means not only cotton and grain and other things planted on the farm but applies to industrial plants also; to cotton plants and cotton-mill plants, corn plants and lighting plants, tobacco plants, and power plants, and so on through the whole business and industrial list. By including, along with agriculture, all the other business and industrial enterprises of the State, they make a good showing, and cover up, they think, the miserable showing made by agriculture and the pitiful condition of the farmers of the State.

WHAT HENRY GRADY SAID IN 1889

I have already mentioned Henry Grady. No man ever had a more genuine interest in the farmer nor a greater love for the farm. Let me quote what he said 37 years ago at a meeting of farmers at a time when agricultural conditions were almost as bad as they are now. Here are his words:

"General Toombs once said that the farmer, considered the most conservative type of citizenship, is really the most revolutionary. That the farmers of France, flocking to the towns and cities from the unequal burdens of their farms, brought about the French Revolution, and that about once in every century the French peasant raided the towns. Three times the farmers of England have captured and held London. It was the farmers of Mecklenburg that made the first American declaration, and Putnam left his plow standing in the furrow as he hurried to lead the embattled farmers who fought at Concord and Lexington. I realize it is impossible that revolution should be the outcome of our industrial troubles. The farmer of to-day does not consider that remedy for his wrongs. I quote history to show that the farmer, segregated and deliberate, does not move on slight provocation, but organizes only under deep conviction, and that when once organized and convinced, he is terribly in earnest, and is not going to rest until his wrongs are righted."

Heart sick and sorrowful, but with never dying hope, I turn from an unsympathetic and dogmatic leadership, to the farmers themselves. I appeal from those who say the farmers complain without cause, to those who live close to the farmers and who know the facts. I await the verdict with confidence. I call upon them, from every State in the Union, to assert themselves. There is no reason why they should longer be in distress. The same sun shines above them now that lighted and warmed them in other days. The same soil spreads beneath their feet. The men and women on the farms of the West and the plantations of the South are of the blood and breed of those who conquered the wilderness, fought the wars of the Republic, and built the civilization we now enjoy. My faith in them has not faltered and shall not.

J. T. HOLLEMAN,
President, The Southern Mortgage Co.

ATLANTA, GA., December 29, 1926.

Mr. WASON. Mr. Chairman, I yield 30 minutes to the gentleman from Montana [Mr. LEAVITT].

Mr. LEAVITT. Mr. Chairman and Members of the House, I have no desire to use the entire 30 minutes that have been allotted to me, and shall not do so if I am allowed to extend my remarks by printing in the Record a speech that was delivered by the Assistant Commissioner of Indian Affairs, Mr. Meritt, which I tried to have included in the Record under unanimous consent this morning.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. FREAR. In response to that, let me say that I have agreed to have no objection made to the speech, providing the questions and answers are agreed to that accompany the speech. I have called the attention of the gentleman from Montana to specific misrepresentations that he and I know must be misrepresentations, and I do not claim that they were made intentionally. I do not want to be placed in a wrong attitude, and that is the reason why I do not want only a part of the record to go in in that form. If the whole thing goes in, I have no objection. If the gentleman wishes to put something that is not true in the Record, I can not consent to inserting the answer of some one who is not a Member of the House.

Mr. BLANTON. Mr. Chairman, a point of order. In protection of the orderly procedure I make this point of order, that our colleague from Wisconsin [Mr. FREAR] claims that this document is a personal attack on him, affecting his integrity. I make the point of order that, even in general debate, our distinguished colleague, who is now on the floor [Mr. LEAVITT], should not make a personal attack on his colleague, and certainly he should not be allowed to read a personal attack upon his colleague here by an outsider, affecting his integrity. I call his attention to that feature of the rule as to procedure in protection of the orderly business of the House.

The CHAIRMAN. The Chair overrules the point of order. The gentleman from Wisconsin has knowledge of the method followed.

Mr. LEAVITT. Mr. Chairman, in the CONGRESSIONAL RECORD of January 6 the gentleman from Wisconsin [Mr. FREAR], under leave to print, sets forth a number of rather serious statements with regard to the Bureau of Indian Affairs, and particularly Assistant Commissioner Edgar B. Meritt. It seems that Mr. Meritt was recently in California, where he delivered speeches on various occasions replying to previous statements made by the gentleman from Wisconsin.

It is not my intention at this time to take up in detail the cause of the Bureau of Indian Affairs or of Mr. Meritt. I do feel, however, that my position as chairman of the Committee on Indian Affairs makes it proper that I should be the one through whom the statement of Mr. Meritt, who has been a Government official for 33 years, more than 20 of which have been with the Indian Service, should be inserted in the Record. He does not himself have access to the floor of this House. Certainly a bureau of this Government charged with such serious duties as are those of the Indian Service should have opportunity to present its side of the case in a controversy of this kind in the same forum as that chosen by the one who attacks it.

It was with a statement of that kind, Mr. Chairman, that I undertook to insert in the Record, a speech made by Mr. Meritt in Oakland, Calif. Objection was made by the gentleman from Wisconsin [Mr. FREAR] unless I would also include in my remarks a stenographic report that he has received from some one who attended this meeting, who took down what questions were asked and what answers were given by Mr. Meritt. We know, as Members of this House, that even with the experience of these men who report the proceedings of this House we find it necessary to have the statements made by ourselves upon this floor placed before us for revision in order to be sure that the reporter has gotten exactly what we said, particularly with regard to the use of names and figures and things of that kind.

This material that the gentleman from Wisconsin wishes me under my responsibility to include in the Record is something that has been sent to him, I do not know by whom, and I do not know its responsibility, and I do not know whether it is correct or not. On the other hand, this statement of the Assistant Commissioner has been furnished to me by the Bureau of Indian Affairs as constituting what was said by Mr. Meritt on that occasion. It has seemed to me only proper that it should be inserted in the Record as the statement of the Bureau of Indian Affairs in reply to the continuous statements made in the Record by the gentleman from Wisconsin under leave to extend his remarks. He has filled up the issue of the 6th day of this month 24 pages of the Record, none of which was said on the floor of the House. No one on the floor of the House had an opportunity to question the accuracy of it.

The Bureau of Indian Affairs is charged with perhaps the most difficult responsibility confronting any bureau of this Government. Its administration affects human beings in every stage of development from that in which they live according to their tribal customs, speaking their native languages, to a position where they should be entirely divorced from any control or supervision of the Government. The bureau is continually under attack. There seems to be no plea that can be placed before the American people that will be so easily taken up and believed if made by anybody who professes to speak in the name of the Indians as will charges against the Bureau of Indian Affairs.

It is not my purpose to sponsor or protect the Bureau of Indian Affairs except in a broad way, or to say that everything that has been done under the jurisdiction of that bureau has been correctly done. I am not going to say anything of that kind. I have been critical of some things. I have called attention to things I believed to be wrong, and I have tried to bring about a correction of them. That is helpful. On the other hand, there recently went through the western country, I am told, a man claiming to speak in the name of the Indians, and raising money, and then after raising money for the cause of starving Indians, getting into a Pierce-Arrow car and riding to some other meeting. I am told he did this even in the name of Indians supposed to be starving out in the State of Montana.

Mr. FREAR. Will the gentleman yield there?

Mr. LEAVITT. Yes. I think the gentleman was with him.

Mr. FREAR. I was with the gentleman. He never did anything of which the gentleman is charged.

Mr. LEAVITT. I make that statement on my own responsibility.

And to-day when I rose and asked to have Mr. Meritt's reply inserted in the Record the gentleman from Wisconsin rose to his feet and said that unless I would include with it, under my leave to extend, these stenographic notes that have come here—I do not know from whom, and which the gentleman himself can not assure the House are correct because he was not in the meeting—he objects to having it put in the Record, and he asks that I be made to read it.

There may be some things in it that are violative of the rules. I do not know. However, I would be the first one to agree that those parts of what Mr. Meritt has said should not go in, but I do feel that he should be allowed to make his reply in his own way and this is the way in which he wishes to have that reply made.

Speaking before the Oakland Forum on the 1st of December, Mr. Meritt said, according to the statement he has furnished to me:

It is a real pleasure to have the opportunity of addressing this splendid audience. We wish to express sincere appreciation of the friendly interest shown by the good men and women of the West in the Indian question. We know that you are sincere friends of the Indians and desire to distinguish between propaganda and truth and assist the Government in every way practicable to promote the best welfare of the American Indians.

There has been so much misrepresentation and so many misstatements regarding the Government's handling of Indian affairs that it seems appropriate to give to the public some accurate information regarding this important subject—information that can be substantiated by the records of the Government at Washington.

* * * Mr. FREAR advised his audiences in the West that for 14 years he had served on various committees in the House of Representatives, including the Ways and Means Committee, and that about a year ago he was assigned to the House Indian Committee. Ever since that assignment the Indian Service has been subjected to his unwarranted criticisms. Mr. FREAR has told his audiences that he had practically no Indians in his district, and few Indians in his State. * * *

1. Mr. FREAR said:

"The heavy death loss has been neglected so that to-day the Indians are only skeleton tribes."

The truth of the matter is that the Indians in the last 25 years have been steadily increasing in population and are no longer a vanishing race. For example, in 1900 there were 270,544 Indians in the United States and to-day we have 349,876. The Indians are increasing in population at the rate of about 1,500 per annum (which is the result of the work of the Indian Bureau along educational and health lines).

2. Mr. FREAR said:

"Indian Bureau control is effected by an army of political employees, good, indifferent, and sometimes bad."

The facts are that out of the 4,960 employees in the Indian Service there are only two political appointees, namely, the Commissioner of Indian Affairs and the Superintendent for the Five Civilized Tribes. The Assistant Indian Commissioner has been in the Government service nearly 33 years, and more than 20 years in the Indian Service, and his position can not properly be called a political one. The present

Commissioner of Indian Affairs was selected for that office because of his preeminent qualifications for the position, having spent 40 years of his life among the Sioux Indians, and served for many years in Congress as a member of the Committee on Indian Affairs of the House of Representatives and later as chairman of that very important committee. No man ever filled the office of Commissioner of Indian Affairs who was more efficient, better equipped, or more sincerely interested in the Indians than is Commissioner Burke. He is the soul of honesty, honor, and fair dealing, and deserves the undivided support of the American people in administering the difficult duties of his responsible office. Practically all of the employees in the Indian Service are appointed through civil-service channels, and approximately 1,700 of these employees are Indians who have been educated in our Government Indian schools. Mr. FREAR's "army of political employees" dwindles to 2 out of nearly 5,000 when the facts are known.

3. Mr. FREAR says that the Indian agents appoint Indian judges at \$10 per month to carry out the policy of oppression, and that the Indians are without jury, without attorney, without bail, and without right of appeal.

The facts are that these Indian judges are among the leading Indians on each reservation. They are selected because of their prominence and the respect with which they are held by the Indians. Any Indian has the right to employ an attorney. Any Indian has a right to appeal from the decision of the Indian court to the superintendent, from the decision of the superintendent to the Commissioner of Indian Affairs, and from the decision of the Commissioner of Indian Affairs to the Secretary of the Interior. The Indians therefore have three appeals. Few Indians are ever sentenced to jail beyond 30 days, and most sentences are less, and then the jail is used only for sleeping and eating purposes, the Indians being required to work on roads and do other useful tasks on the reservations. The Indian courts are much more lenient than would be the case if the Indians had their trials in either State or Federal courts. These Indian courts are a fine example of the constructive methods of the Government in teaching the Indians real self-government.

4. Mr. FREAR said:

"From present prospects the bureau will not lose its job or its control of the person and property of the Indians for hundreds of years to come if the Indians live that long."

The facts are that the jurisdiction of the Indian Bureau has been relinquished over approximately one-third of the Indians of the United States during the last 20 years. Any Indian who can demonstrate his competency can have a patent in fee to his land and be entirely free from restrictions of every kind and character whatsoever.

5. Mr. FREAR said:

"The power to employ an attorney, like the power over person and property, must have the approval of the Indian Bureau, which, in effect, names the Indian's lawyer who is to protect the Indian against the bureau."

Any Indian may employ an attorney and the Indian Bureau does not attempt to supervise the employment of attorneys for individual Indians, except to see that they are not overreached in the fees they are required to pay. Section 2103 of the Revised Statutes requires that attorneys employed by Indian tribes shall have their contracts approved by the Commissioner of Indian Affairs and the Secretary of the Interior. This legislation by Congress is necessary in order to protect the tribal property of the Indians and so that a few Indians can not make contracts with attorneys that would obligate the tribal property of all the Indians. The Indians, in their personal rights, are as free and independent as any other citizens of this country, and may go and come as they please. The property of restricted Indians is held in trust by the Government for the benefit of the Indians; otherwise, grafters would soon acquire practically all of the property that is now held by the Indians. This statement is proven by past experience. Under Secretary Lane's tenure of office as Secretary of the Interior about 10,000 Indians were released from the jurisdiction of the Interior Department. Unfortunately Indians, as a rule, do not have full appreciation of the value of property. Soon after the issuance of patents in fee to these 10,000 alleged competent Indians 90 per cent of them disposed of their lands, bought automobiles, and within six months were without property and dependent upon their Indian relatives whose property was protected by the Indian Bureau. To-day the Indians of this country, as a rule, who own the least property are the ones who have been released from governmental supervision and no longer have their property interests protected by the Government.

6. Mr. FREAR said:

"No Indian is called before the congressional committees by the bureau."

The Indian office does not control who shall appear before committees of Congress, but the Indian Bureau has, upon the request of the committees of Congress, brought to Washington Indians for the purpose of testifying before congressional committees. The records of the Indian Committees of Congress will show that quite a number of Indians are appearing before the Indian Committees of both the House

and Senate. This statement may be confirmed by writing to the chairman of either the House or Senate Indian Committee of Congress. For example, during the last session, not less than 50 Indians appeared before the House and Senate Indian Committees. These Indians were from the Kiowa Reservation in Oklahoma, the Klamath Reservation in Oregon, the Crow, Fort Peck, and Tongue River Reservations in Montana, and the Sioux Reservations in North and South Dakota.

I will pause right here to interject a brief statement. The gentleman from Wisconsin [Mr. FREAR]—and we should be fair and I desire to be entirely fair to him—undoubtedly when he said that no Indian was called before the congressional committees by the bureau had reference to one or two particular bills he was discussing, such as the oil leasing bill which has to do with the Navajo Indians, and it is true that there was no Indian called before the committee during the hearings on that bill. It is the very general practice, however, for Indians through their representatives who come here from the different reservations, to appear before the Committees on Indian Affairs. There are several delegations in Washington at this time. So in this particular case, both the gentleman from Wisconsin and the Bureau of Indian Affairs are correct. The gentleman from Wisconsin is correct in stating that in reference to a particular bill, which I understand he was discussing, no Indian had been called, but it is generally the case that they are called.

Mr. HASTINGS. Will the gentleman from Montana yield?

Mr. LEAVITT. Yes.

Mr. HASTINGS. May I ask whether the Committee on Indian Affairs has ever denied the right of any Indian to appear before the committee during the consideration of a bill that touches his interests?

Mr. LEAVITT. Not since I have been in Congress.

Mr. FREAR. That is just the point. Mr. Chairman, and the last three lines which criticize me for misrepresentation are the lines that I object to. Of course, I never made any such statement. No member of the Committee on Indian Affairs would make such a statement as is quoted there, and the gentleman, Mr. Meritt, in the questions and answers that I wanted to put in the RECORD, shows that he got that from a newspaper report and did not know the source of it.

Mr. LEAVITT. Mr. Meritt continues:

7. Mr. FREAR says:

"The Jackson Barnett case is another scandal unique and original. It was 'investigated' by the House Indian Committee two or three years ago and the committee whitewashed Burke. What else could happen where every member of the committee is dependent on Burke's approval of Indian bills in which the member is interested?"

I think before I read the reply of Mr. Meritt, the gentleman from Wisconsin should state whether or not he made that statement.

Mr. FREAR. No; not in the language quoted there. I do not know where he got that, and in my remarks, which cover about seven pages of reply to this speech, I there discuss specifically what I said and the facts as I understand them.

Mr. CRAMTON. Mr. Chairman, if the gentleman will yield—

Mr. LEAVITT. I yield.

Mr. CRAMTON. The gentleman from Wisconsin seems very tender about an opportunity to reply to anything that implies the least criticism, but the gentleman from Wisconsin does not put in his remarks in a way to give others an opportunity to enjoy that privilege.

Mr. FREAR rose.

Mr. CRAMTON. Let me finish this statement. In the extension of remarks the gentleman brings my name in and prints a letter and assumes that the statements in that letter are true, which statements imply a criticism of my action, and I did not know about it until I saw it in the RECORD a few days ago.

Mr. FREAR. Mr. Chairman, if the gentleman will permit, I struck out of the letter everything that reflected, as I believed, on the gentleman from Michigan, and I put it in to show the condition of affairs down on what is known as the Pima Reservation.

Mr. CRAMTON. If the gentleman had taken out all that implied a criticism of me and my official actions there would not have been any letter left.

Mr. FREAR. I will leave it to the gentleman himself to examine the letter and see.

Mr. LEAVITT. Now, Mr. Chairman, I wish to interject briefly at this point in regard to the statement attributed to the gentleman from Wisconsin—and he has made it in effect on the floor of the House in my hearing—that the Committee on Indian Affairs of the House can not be expected to render honest judgment in matters of this kind, because it must de-

pend upon Commissioner Burke to report favorably upon its bills.

I think the Committee on Indian Affairs is entitled to a defense. The committee is made up of men, half of whom—and I was careful in making my suggestion to the committee on committees—half of whom come from States in which there are absolutely no Indians—of the Eastern and Middle Western States. The minority leader of the Indian Affairs Committee is the gentleman from Arizona [Mr. HAYDEN]. Mr. HAYDEN, in spite of the charges that were made as to a measure he introduced in good faith, being impugned—that it was a steal from the Navajo Indians—went before the people of his State in the last election and was elected to represent that State in the Senate of the United States.

When we go down the list of the Committee on Indian Affairs we have men of that type—men whose honesty and motives can not be impugned by another Member of the House. I have been told that it is against the rules of the House for me to criticize the gentleman from Wisconsin or question his motives on the floor. That is according to the rules of the House. But the gentleman from Wisconsin has not hesitated himself to make statements that must be considered as questioning the honor of the members of the Indian Affairs Committee.

Mr. FREAR. Will the gentleman yield to me to say that I never made any such statement?

Mr. LEAVITT. I can not yield now. I know what the gentleman has said. I have in my hand four measures that have been acted upon by the Committee on Indian Affairs since I have been chairman that will alone refute any such statement. They have to do with matters that have come before the Committee on Indian Affairs without the approval of the Commissioner of Indian Affairs and reported favorably regardless of that. What I mean is that the Secretary of the Interior made an adverse report on this one I hold in my hand, and yet in spite of that it was reported favorably by us and became a law.

We have in addition to that two others that have received a pocket veto. After having an adverse report by the Secretary of the Interior and having been passed by the House and the Senate, they were subjected to a pocket veto. And still they have been reintroduced and reported favorably by the Committee on Indian Affairs. Not only that, but I have here one that has been thus reported unfavorably since the convening of the present session that we have reported favorably. There could be nothing further from the truth than to say that the Committee on Indian Affairs is compelled in its action by the opinion of anybody.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. WASON. I yield the gentleman 10 minutes more.

Mr. LEAVITT. When it comes to raising a question of that kind I think those who are acquainted with the membership of our committee are unanimous in resenting it. I know that that is the unanimous sentiment of members of the Indian Committee. If I wanted to go into some things in committee I might make it embarrassing at this time for the gentleman from Wisconsin.

Mr. Meritt continues:

Briefly stated, Jackson Barnett is a full-blood Creek Indian over 70 years of age. He was married to a white woman February 23, 1920, in Kansas. Jackson Barnett was fortunate in having allotted to him a tract of land which later proved to be one of the richest Indian oil allotments in the United States. More than \$2,000,000 have been recovered in oil royalties from this allotment. Jackson Barnett has no near relatives living at this time. No one can question the fact that Mrs. Barnett has made Jackson Barnett for more than six years a good wife and has brought to him more of the comforts and pleasures of civilization than he ever before enjoyed. Jackson Barnett expressed a desire to donate a part of his money for educational purposes. He signed, by thumb mark, a letter addressed to the Secretary of the Interior requesting that \$550,000 be set aside to his wife and \$550,000 be held in trust by the American Baptist Home Mission Society for the benefit of Bacone College and the Murrow Indian Orphan Home, both located near Muskogee, Okla. Jackson Barnett, under the terms of this settlement, which was approved by the Interior Department on January 29, 1923, is to receive a substantial income out of these donations during his life. His present income amounts to more than \$60,000 a year. The Bacone College and the Murrow Orphan Home are exclusively Indian educational institutions which have long been established and have contributed much to the advancement of the Indian race in Oklahoma. The restrictions on the property of the Five Civilized Tribes of Indians will expire in 1931 and unless extended by Congress there will

be very little Federal or tribal money available for educational purposes among the Indians of the Five Civilized Tribes. Jackson Barnett did not give to his lawful wife more than she was entitled to under the law after Jackson Barnett's death and upon the distribution of his estate. Jackson Barnett could not have conceived of a more worthy plan to help his people and for the uplift of the future generation of Indian children in the Five Civilized Tribes than by the donation he has made to the Bacone College and the Murrow Orphan Home.

This matter has been gone into fully by a committee of Congress and the Commissioner of Indian Affairs and the Indian Bureau given a thorough vindication by this congressional investigation. The case is now pending in the courts and it is the prediction of many lawyers familiar with Indian law and procedure that when the decision of the Supreme Court of the United States is finally handed down in this case the action of Jackson Barnett and the approval of the Commissioner of Indian Affairs and the Secretary of the Interior of the donation of Jackson Barnett will be found legal and will be sustained. * * *

8. Mr. FREAR says:

"Last session the Indian Bureau was more brazen than ever before and drew a bill, introduced by Chairman LEAVITT, which gave \$10 per month to Indian judges, appointed by Indian agents, the right to sentence Indians to six months in jail and also to fine \$100 additional for violating rules of the agent of bureau or department. Without right of attorney, without right of bail, or jury, or any appeal to any court, this bill drafted by Mr. Burke's bureau wiped out the last vestige of protection the Indian had."

Mr. Chairman, I pause here long enough to state that as chairman of the committee I introduced the bill, but that neither I nor the majority of the committee are satisfied that the bill is yet in proper form to come out. Probably it will not come out at this Congress in any form. But it should be stated that the intention of it, as explained by the Commissioner of Indian Affairs to the committee, has not been to do the things that are stated here by Mr. FREAR. I state now, although I have been charged by a worthy named John Collier with having made every effort to get the bill reported out and passed that the records of the committee show and the hearings show that I have opposed that sort of action all the way through, and that I stated at the end of the hearings last spring that I was not satisfied that the bill was in proper form or that it should be reported out.

Mr. FREAR. The gentleman introduced the bill, as he states, by request. I have stated that everywhere. Of course, anything that predicts any future action from the gentleman is gratuity. I do not think that he was in favor of the bill.

Mr. LEAVITT. I thank the gentleman. Mr. Meritt goes on:

* * * The facts are that at the beginning of the last session of Congress there was drafted and introduced House bill 7826, which had as its purpose the improvement of law and order conditions among Indians on Indian reservations. It was stated in the hearings on this bill that there was no pride of authorship, that perfecting amendments were welcomed, suggested, and recommended, and that the proposed legislation was submitted in order to bring the matter to the attention of Congress and cure certain unfavorable law and order conditions existing on Indian reservations.

The main purpose of House bill 7826 is to make Indians subject to more of the laws of the land than they are now required to observe and obey. At present, restricted Indians living on Indian reservations are not subject to the laws of the States and to but very few of the criminal laws of the United States. Section 328 of the United States Criminal Code of 1910 makes provision for the punishment of only eight offenses committed by restricted Indians on reservations, namely, murder, manslaughter, rape, assault with intent to kill, assault with a dangerous weapon, arson, burglary, and larceny. The other crimes and misdemeanors in the Federal Criminal Code and the State codes are not punishable in the regular Federal district courts so far as restricted Indians are concerned. It is claimed by Mr. FREAR that the Indian Bureau is endeavoring to extend its authority by the enactment of the proposed legislation. As a matter of fact, the purpose of the legislation is exactly the opposite, as section 1 of House bill 7826 increases the jurisdiction of the United States district courts and reduces the jurisdiction of the reservation courts of Indian offenses. Practically all missionaries, organizations working for the benefit of the Indians, and all persons familiar with the present law and order situation on Indian reservations recognize the need of additional legislation covering this most important subject and until additional legislation is enacted by Congress the law and order conditions on Indian reservations will continue to be unsatisfactory.

Mr. Chairman, I come next to the matter of the Lees Ferry Bridge. That is a measure that was introduced by the gentleman from Arizona [Mr. HAYDEN]. Mr. Meritt said in his speech at Oakland:

9. Referring to the appropriation for the Lees Ferry Bridge, Congressman FREAK said:

"This legalized robbery of the Navajo Indians of \$100,000 was made possible by the aid of Commissioner Burke and Secretary Work. * * * Remember, Burke, in exclusive control of the Indians' property, urged the passage of a bill of no benefit to the Indians that would take \$100,000 from the \$116,000 in his hands if collected at once."

Of course, Mr. Chairman, there was no proposal to collect this \$100,000 at once either in the form of the bill as originally introduced or as the measure finally passed. The restriction put on the appropriation said that it could not be taken from the \$116,000 the Indians now have. But Mr. Meritt continues:

In the first place we can say positively that there never was any intention of taking \$100,000 out of the \$116,000 belonging to the Navajo Indians. For 100 miles there is no bridge across the Colorado River, which borders on the Navajo Reservation for a long distance.

Mr. Chairman, if I can have further time on this to-morrow, I would like to proceed at that time. I would like to have the gentleman from Arizona [Mr. HAYDEN], who introduced this measure, present when it is further taken up. If I can proceed under general debate to-morrow for an additional few minutes I would like to do it.

Mr. WOOD. How much time would the gentleman want?

Mr. LEAVITT. I should think 20 minutes.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, I would not ask the committee to remain longer in session at this late hour but for the fact that I feel that if what I am about to say is of any importance at all it probably should be said to-day.

I wish to comment for just a few moments upon the message of the President of the United States, which was read from the desk earlier in the day.

Mr. Chairman, I appreciate fully the delicacy involved in a Member of the House entering upon a discussion of our international relations under circumstances similar to those that now confront us. I certainly have no desire to trespass in any way or in any degree upon the prerogatives of the executive branch of the Government, nor shall I do so. However, in view of the fact that possibilities of grave and serious consequences exist, the possibility that there may flow from conditions in Central America a necessity for some sort of action by the Congress, I do think that it is not improper just now to say a few things touching some of the features of the message.

I am not satisfied with the information that is given. I do not think it is sufficiently full. Primarily I should like to know positively just what is the danger to American lives in Nicaragua at the present time? Throughout the message the President several times uses the expression "for the protection of American lives and property." Always the two are coupled. Mr. Chairman, I distinguish between the duty that we owe toward the protection of life and the duty that we owe toward the protection of property, and I am not content to let this matter go to the country without there being an understanding that some of us, at least, do draw that distinction, and that we shall feel at liberty to do so if there be any action required of us in the future. Circumstances may call for extreme action in the protection of life, while not justifying it in the case of property alone.

I do not regard the statement of fact contained in the message relative to the rights that have been ceded to us by treaty in regard to the proposed Nicaragua Canal or the protection of the Panama Canal as being sufficient in themselves to justify the action that has been taken. There is nothing in the situation which exists now, if I am correctly informed, certainly nothing is shown in this message, which is the first official Executive utterance to us, to indicate that those rights that we have acquired by that treaty have been in any way threatened or that they are in the slightest danger whatsoever. By Article II of that treaty certain islands were ceded to us in order to enable us to protect the Panama Canal. That cession has not been interfered with, and we are in peaceful control of them with sovereign power.

There is nothing here to indicate that our interest there is in any jeopardy, and it seems to me the bringing of that feature into the picture is confusing, and has a tendency to lead the public mind off upon an angle which does not appeal to me as being a legitimate one in the present crisis.

Another feature of the message that I want to make a little comment upon is the recital of the fact that something like \$1,000,000 of the Nicaragua bonds are held by people in the United States, and for some reason which I do not fully fathom

the President seemed to think it desirable to state that, so far as known, no bank in the United States is now holding any of these obligations.

I do not see why it should make any difference who the holders are. If it is intended by this recital to indicate that it is the duty of the United States to use armed force and virtually commit an act of war in order to assure the stability and integrity of that indebtedness due to persons in the United States who bought those bonds with their eyes wide open, I respectfully take issue with it and must decline to give assent to any such policy.

The individual who buys a bond of a South American or Central American country buys it with a knowledge of history and a knowledge of the temperament and disposition of that people, and I do not wish to be placed in a position where I may appear to subscribe to the idea that it is the duty of this Government to commit acts of war in order to assure payment of those bonds, no matter by whom they are held.

Therefore that part of the message does not appeal to me as of itself furnishing a basis upon which I could agree that it is our duty to go to the extent which is easily possible under the action that has been taken there.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SANDLIN. How much more time would the gentleman like?

Mr. GARRETT of Tennessee. Three minutes more.

Mr. SANDLIN. I yield to the gentleman three minutes.

The CHAIRMAN. The gentleman from Tennessee is recognized for three minutes more.

Mr. KINDRED. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. KINDRED. In the gentleman's opinion, to what country does the President refer in his message read here to-day? What foreign country does the President refer to when he says that certain foreign countries have been guilty of transgression and have violated the Monroe doctrine in Nicaragua?

Mr. GARRETT of Tennessee. I do not remember that the President referred to the Monroe doctrine.

Mr. KINDRED. He did not refer to the Monroe doctrine, but he spoke of the violation or transgression of the spirit of the Monroe doctrine by certain foreign countries. Now, does any act of Mexico constitute any transgression in the sense of a transgression by a foreign country of the Monroe doctrine?

Mr. GARRETT of Tennessee. Of course, Mr. Chairman, that brings us to a very large question. I observe that this morning the theory was advanced in a publication of this city that the Monroe doctrine was capable of the interpretation—indeed, I think it put it so strong as to assert that the true interpretation of the Monroe doctrine was that it was the duty of this Government to protect a government of Pan America not only from encroachment by nations of the other hemisphere but to protect one nation of Pan America against another nation of Pan America.

Now, the President does not say that. I do not subscribe to that interpretation. That has never been my understanding of the Monroe doctrine. The President—let me make it very clear—says nothing in this message which I construe to mean that. I do not recall the exact language to which the gentleman from New York refers, and so I could not state what nation the President had in mind in what he said.

Mr. KINDRED. Would any reasonable interpretation of the Monroe doctrine include any transgression of Mexico?

Mr. GARRETT of Tennessee. I have never believed and have never thought that the Monroe doctrine in even its broadest legitimate interpretation and scope meant that it was, because of that doctrine, the duty of this country to interpose in the struggles between two of the Pan American nations.

Mr. KINDRED. That is an answer to my question.

Mr. GARRETT of Tennessee. That certainly has never been my view.

Now, I wish to speak—and I hope I am speaking—circumspectly. I surely have no disposition to do other than that which is just for my country and for the nations of the earth. The time may come when we of this House may have some duty to discharge in connection with this trouble. I trust it may not be so. But in view of that possibility, I have felt that it was well to say these few words.

Now, to go back to the thought expressed at the very beginning, because I would like to emphasize it: I should like to know in some detail the extent to which American lives have been in danger, and under what circumstances they were in danger; what was the conduct of those who were in danger; what was their relation to the events which were then transpiring there; what was their interest which carried them to the

country? Were they mixed with the politics of the nation? All these things, Mr. Chairman, I think it is highly important to know, in order to try and reach a just conclusion and in doing what we can best do to preserve peace, justice, and the honor of our own Nation.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. GARRETT of Tennessee. I would like to have two minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. JACOBSTEIN. Mr. Chairman, has the gentleman from Tennessee read that the American Lumber Co. has stated that it had been inconvenienced by the fact that some of the native employees working for that company have been forced to bear arms by Sacasa? Should that be construed to be interfering at all with American interests in that country?

Mr. GARRETT of Tennessee. Oh, no, not in a sense of imposing a duty on this country.

Mr. JACOBSTEIN. That is the only concrete statement I have seen where American interests have been involved.

Mr. BLANTON. Will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman from Texas.

Mr. BLANTON. I hope the message that goes to the President from the minority leader's statement will mean to him what in naval parlance is meant by the signal, f. o. g.—"navigate cautiously."

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BEGG, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 15959) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1928, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT—ANNUAL REPORT OF THE AMERICAN BATTLE MONUMENTS COMMISSION (H. DOC. NO. 636)

The SPEAKER laid before the House the following message from the President of the United States:

To the Congress of the United States:

I transmit herewith for the information of the Congress the annual report of the American Battle Monuments Commission for the fiscal year 1926.

CALVIN COOLIDGE.

THE WHITE HOUSE, January 10, 1927.

The SPEAKER. The message and accompanying papers are ordered printed and referred to the Committee on Foreign Affairs.

EXTENSION OF REMARKS

Mr. JACOBSTEIN. Mr. Speaker, do the rules of the House permit newspaper articles to be reprinted in the Record when they bear upon so important a subject as the President's message? I have in mind the two official statements printed in the New York Times by the contenders in the Nicaragua affair. It seems to me it would be very valuable for the Members of the House to have these official statements when they read the President's message again in the Record.

The SPEAKER. Of course, they could be printed by unanimous consent as a part of the extension of remarks of some gentlemen.

Mr. JACOBSTEIN. Mr. Speaker, I ask unanimous consent that these two official statements be printed in the Record for the enlightenment of the Members of the House and of the country.

Mr. BLANTON. Are they authentic?

Mr. JACOBSTEIN. They are official statements by Adolfo Diaz and by Juan Bautista Sacasa.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the Record by printing the two statements to which he has referred. Is there objection?

Mr. BEGG. Mr. Speaker, I regret very much to object to the gentleman's request, because he seldom makes one, but I think it is going pretty far afield to begin to print newspaper articles on a subject like that. If we permit it this time everybody will want to do it, and I do not believe this is the way to get authentic information. Therefore I am forced to object.

Mr. JACOBSTEIN. Will the gentleman withhold his objection for just one moment?

Mr. BEGG. Yes.

Mr. JACOBSTEIN. And permit me to explain why I ask this. A newspaper man came to me and asked whether there were not some discrepancies in the statements made by the President of the United States and Mr. Diaz. I said I did not think so. He said, "If you will compare the statement printed in the New York Times with the President's message, you will find some discrepancies." I have gone over them and there is some doubt, in my own mind at least.

Mr. GARRETT of Tennessee. Will the gentleman from Ohio permit this suggestion?

Mr. BEGG. Yes.

Mr. GARRETT of Tennessee. This is not a newspaper article; that is, it is not from the newspaper itself. These are signed statements by the parties to this controversy. I do not know whether that will make any difference to the gentleman from Ohio.

Mr. BEGG. No. I will say, Mr. Speaker, that the minute we extend these statements in our own Record it will be at least a quasi acknowledgment of them. It has all been brought to our attention through the proper channel, by the President of the United States and referred to the Foreign Affairs Committee, and I think any official report to the House ought to come from the Foreign Affairs Committee. Consequently I must object to these newspaper articles.

The SPEAKER. Objection is heard.

COMMITTEE ON ENROLLED BILLS

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States, for his approval, the following bill:

H. R. 13452. An act granting the consent of Congress to the Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Co. to construct, maintain, and operate a railroad bridge across the Wabash River.

ENROLLED BILLS SIGNED

The SPEAKER announced his signature to the following Senate bills from the Committee on Enrolled Bills:

S. 2043. An act to authorize the opening of a street from Georgia Avenue to Ninth Street NW., through squares 2875 and 2877, and for other purposes;

S. 4393. An act to authorize the construction of a nurses' home for the Columbia Hospital for Women and Lying-in Asylum;

S. 4445. An act to amend the act entitled "An act to enable the trustees of Howard University to develop an athletic field and gymnasium project, and for other purposes," approved June 7, 1924; and

S. 4862. An act granting the consent of Congress to the commissioners of Fayette and Washington Counties, Pa., to reconstruct the bridge across the Monongahela River at Belle Vernon, Fayette County, Pa.

ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Tuesday, January 11, 1927, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Tuesday, January 11, 1927, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

State, Justice, Commerce, and Labor Departments appropriation bill and deficiency appropriation bill.

COMMITTEE ON INDIAN AFFAIRS

(10.30 a. m.)

For the relief of the Uintah and White River Tribes of Ute Indians, of Utah (S. 1924).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize the Secretary of the Navy to proceed with the construction of certain public works (H. R. 11492).

COMMITTEE ON WAYS AND MEANS

(10 a. m.)

To conserve revenues from medicinal spirits and provide for the effective Government control of such spirits, to prevent the evasion of taxes (H. R. 15601).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

851. A message from the President of the United States, transmitting herewith, for the consideration of Congress, and without revision, a paragraph of legislation relative to an existing appropriation submitted by the Architect of the Capitol (H. Doc. No. 634); to the Committee on Appropriations and ordered to be printed.

852. A letter from the Secretary of the Interior, transmitting a copy of a letter from the Commissioner of the General Land Office, dated January 5, 1927, transmitting report of the withdrawals and restorations contemplated by the statute; to the Committee on the Public Lands.

853. A letter from the Secretary of the Navy, transmitting copies of two letters of the Board of Inspection and Survey, dated March 10, 1926, and December 4, 1926, respectively; and of letter of the United States Naval Observatory, dated November 26, 1926, in which authority is requested for the disposition of certain useless papers; to the Committee on Disposition of Useless Executive Papers.

854. A message from the President of the United States, transmitting a supplemental estimate for the Department of State for the fiscal year 1927, to remain available until June 30, 1928, for the International Joint Commission, United States and Great Britain, under the treaty of January 11, 1909, relating to the boundary waters between the United States and Canada, \$10,000 (H. Doc. No. 635); to the Committee on Appropriations and ordered to be printed.

855. A letter from the Chesapeake & Potomac Telephone Co., transmitting a report of the Chesapeake & Potomac Telephone Co. to the Congress of the United States for the year 1926; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. ABERNETHY: Committee on the Public Lands. H. R. 12889. A bill to relinquish the title of the United States to the land in the claim of Moses Steadham, situate in the county of Baldwin, State of Alabama; without amendment (Rept. No. 1701). Referred to the Committee of the Whole House on the state of the Union.

Mr. HADLEY: Committee on Ways and Means. S. 4537. An act to amend the Harrison Narcotic Act of December 17, 1914, as amended, and for other purposes; with amendment (Rept. No. 1709). Referred to the House Calendar.

Mr. UNDERHILL: Committee on Claims. H. R. 14238. A bill to amend section 3702, Revised Statutes; without amendment (Rept. No. 1710). Referred to the Committee of the Whole House on the state of the Union.

Mr. UNDERHILL: Committee on Claims. S. 2620. An act for the relief of certain newspapers for advertising services rendered the Public Health Service of the Treasury Department; without amendment (Rept. No. 1711). Referred to the Committee of the Whole House on the state of the Union.

Mr. WURZBACH: Committee on Military Affairs. S. 3992. An act to provide for the purchase of land for use in connection with Camp Marfa, Tex.; without amendment (Rept. No. 1716). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MORROW: Committee on Claims. S. 3918. An act for the relief of Robert R. Bradford; without amendment (Rept. No. 1712). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 3295. A bill for the relief of Sherman P. Browning; with amendment (Rept. No. 1713). Referred to the Committee of the Whole House.

Mr. CARPENTER: Committee on Claims. H. R. 10447. A bill for the relief of First Lieut. Walter T. Wilsey; with amendment (Rept. No. 1714). Referred to the Committee of the Whole House.

Mr. WHEELER: Committee on Military Affairs. H. R. 15432. A bill to correct the military record of Curtis P. Wise; without amendment (Rept. No. 1715). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on the Public Lands was discharged from the consideration of the bill (H. R.

11888) amending so much of the sundry civil act of June 30, 1906 (34 Stat. p. 730), as relates to disposition of moneys belonging to the deceased inmates of St. Elizabeths Hospital, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MANLOVE: A bill (H. R. 16104) to amend the act entitled "An act granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River," approved March 31, 1926; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16105) to amend the act entitled "An act granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River," approved March 31, 1926; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDRESEN: A bill (H. R. 16106) to amend sections 11 and 12 of the Immigration act of 1924; to the Committee on Immigration and Naturalization.

By Mr. HOOPER: A bill (H. R. 16107) to amend the World War veterans' act, 1924; to the Committee on World War Veterans' Legislation.

By Mr. SINNOTT (by departmental request): A bill (H. R. 16108) to repeal an act entitled "An act to provide for stock-raising homesteads, and for other purposes; to the Committee on the Public Lands.

Also (by departmental request), a bill (H. R. 16109) to repeal the desert land laws, and for other purposes; to the Committee on the Public Lands.

Also (by departmental request), a bill (H. R. 16110) to amend section 2455 of the Revised Statutes of the United States, as amended, relating to isolated tracts of public land; to the Committee on the Public Lands.

Also (by departmental request), a bill (H. R. 16111) to withhold timberlands from sale under the timber and stone act; to the Committee on the Public Lands.

Also, a bill (H. R. 16112) confirming in States and Territories title to lands granted by the United States in the aid of common or public schools; to the Committee on the Public Lands.

By Mr. ZIHLMAN: A bill (H. R. 16113) to permit extension of period of detail by the President of officers from the Corps of Engineers as Engineer Commissioner of the District of Columbia, and for other purposes; to the Committee on Military Affairs.

By Mr. BELL: A bill (H. R. 16114) authorizing an appropriation of \$150,000,000 for the manufacture at Muscle Shoals of ammonium phosphate, or other high-grade fertilizer, to be sold to farmers for cash at cost for agricultural purposes; to the Committee on Military Affairs.

By Mr. HOLADAY: A bill (H. R. 16115) to provide for a system of voluntary registration by certain aliens, and to facilitate their naturalization; to the Committee on Immigration and Naturalization.

By Mr. WOODYARD: A bill (H. R. 16116) granting the consent of Congress to the Henderson Bridge Co., its successors and assigns, to construct, purchase or lease, maintain, and operate a bridge across the Kanawha River, at or near the town of Henderson, W. Va., to a point opposite thereto, in or near the city of Point Pleasant, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mrs. ROGERS: A bill (H. R. 16117) to authorize the Secretary of Agriculture to establish grades and standards for farm products, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. BRITTEN: A bill (H. R. 16118) prohibiting in the courts of the United States of America a further jeopardy for an act in violation of criminal laws of both State and United States where jeopardy therefor by prosecution has been already inflicted for such act in the courts of any of the States; to the Committee on the Judiciary.

By Mr. MEAD: A bill (H. R. 16119) to amend the national prohibition act to permit the manufacture, sale, transportation, importation, or exportation of beverages which are not in fact intoxicating as determined in accordance with the laws of the respective States; to the Committee on the Judiciary.

By Mr. CRUMPACKER: A bill (H. R. 16120) authorizing the acceptance from the French Republic of a diploma and medal Legion d'Honneur, by Col. John G. Strohm, M. R. C., United States Army; to the Committee on Foreign Affairs.

By Mr. DENISON: A bill (H. R. 16121) to amend the act entitled "An act to amend the Panama Canal act and other laws applicable to the Canal Zone, and for other purposes," ap-

proved December 20, 1926; to the Committee on Interstate and Foreign Commerce.

By Mr. REECE: A bill (H. R. 16122) to extend the limitations of time upon the issuance of medals of honor and distinguished-service crosses and distinguished-service medals to persons who served in the Army of the United States during the World War; to the Committee on Military Affairs.

By Mr. JACOBSTEIN: A bill (H. R. 16123) to create an American institute of agriculture and to provide for a permanent national agricultural policy for the well-balanced development of American agriculture, including production, marketing, and the limiting of losses from surplus production; to the Committee on Agriculture.

By Mr. PEAVER: Joint resolution (H. J. Res. 327) providing for the disposal of surplus funds in the United States Treasury, and for other purposes; to the Committee on Ways and Means.

By Mr. PORTER: Joint resolution (H. J. Res. 328) to provide for the expenses of delegates of the United States to the Congress of Military Medicine and Pharmacy to be held at Warsaw, Poland; to the Committee on Foreign Affairs.

By Mr. LINTHICUM: Joint resolution (H. J. Res. 329) to provide for the expenses of participation by the United States in the Second Pan American Conference on Highways at Rio de Janeiro; to the Committee on Foreign Affairs.

By Mr. PORTER: Joint resolution (H. J. Res. 330) to provide for the expenses of delegates of the United States to the Eighth Pan American Sanitary Conference, to be held at Lima, Peru; to the Committee on Foreign Affairs.

Also, joint resolution (H. J. Res. 331) to provide for the membership of the United States in the American International Office of Protection for Childhood; to the Committee on Foreign Affairs.

By Mr. LAGUARDIA: Resolution (H. Res. 369) directing the Secretary of the Treasury to furnish the House of Representatives certain information concerning the Howell & King brewery; to the Committee on the Judiciary.

By Mr. SMITH: Resolution (H. Res. 370) providing for the consideration of H. R. 9826, to provide for the protection and development of the lower Colorado River Basin; to the Committee on Rules.

By Mr. MOORE of Virginia: Resolution (H. Res. 371) that the Committee on Foreign Affairs shall ascertain and report to what extent countries have accepted the provisions of the Mexican laws relative to oil rights and concessions; to the Committee on Rules.

By Mr. ROMJUE: Resolution (H. Res. 372) that the Committee on Foreign Affairs ascertain and furnish all information concerning the relations of the United States with the Nicaraguan Government; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANFIELD: A bill (H. R. 16124) granting a pension to Sarah Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16125) granting a pension to Nettie Edington; to the Committee on Invalid Pensions.

By Mr. CARTER of California: A bill (H. R. 16126) for the relief of William Downing Prideaux; to the Committee on Naval Affairs.

Also, a bill (H. R. 16127) granting an increase of pension to Orrison H. Van Horn; to the Committee on Invalid Pensions.

By Mr. COLLINS: A bill (H. R. 16128) for the relief of William D. Wilson; to the Committee on War Claims.

Also, a bill (H. R. 16129) for the relief of William H. Harris; to the Committee on the Civil Service.

By Mr. ROY G. FITZGERALD: A bill (H. R. 16130) granting a pension to Hannah E. Lore; to the Committee on Invalid Pensions.

By Mr. FLETCHER: A bill (H. R. 16131) to correct the military record of Larkin Tonguet; to the Committee on Military Affairs.

By Mr. HASTINGS: A bill (H. R. 16132) granting a pension to Thomas H. Swafford; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 16133) granting a pension to Mary Burdick; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 16134) granting a pension to Maude Liming; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16135) granting an increase of pension to Dully A. Chain; to the Committee on Invalid Pensions.

By Mr. LUCE: A bill (H. R. 16136) granting a pension to Alice G. Taylor; to the Committee on Invalid Pensions.

By Mr. MACGREGOR: A bill (H. R. 16137) granting an increase of pension to Alice F. Webster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16138) granting an increase of pension to Ellen Hanour; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16139) granting an increase of pension to Frederick Smith; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 16140) granting an increase of pension to Margaret E. Sanders; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16141) granting an increase of pension to Lillian E. Connelly; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 16142) granting an increase of pension to Sarah A. V. Pepper; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 16143) granting an increase of pension to Eliza Schoonover; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16144) granting an increase of pension to Rosa Ulman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16145) granting an increase of pension to Permelia E. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16146) granting an increase of pension to Emma M. Alexander; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16147) granting an increase of pension to Alice Gormley; to the Committee on Invalid Pensions.

By Mr. PRATT: A bill (H. R. 16148) granting an increase of pension to Elizabeth Bogart; to the Committee on Invalid Pensions.

By Mr. RANSLEY: A bill (H. R. 16149) granting an increase of pension to Anna E. Brosey; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 16150) granting an increase of pension to Sarah A. Peterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16151) granting a pension to William M. Robinson; to the Committee on Pensions.

By Mr. REID of Illinois: A bill (H. R. 16152) granting a pension to Ruth H. Wight; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16153) to reimburse the Farmers Savings Bank, of Brandon, Iowa, for currency destroyed by fire; to the Committee on Claims.

By Mr. SNEEL: A bill (H. R. 16154) granting an increase of pension to Mary J. Rounds; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 16155) for the validation of the acquisition of Canadian properties by the War Department and for the relief of certain disbursing officers for payments made thereon; to the Committee on War Claims.

Mr. SWOOPE: A bill (H. R. 16156) granting an increase of pension to Alice A. Robb; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 16157) granting an increase of pension to Teddy Sexton; to the Committee on Pensions.

Also, a bill (H. R. 16158) granting a pension to George H. Majors; to the Committee on Pensions.

Also, a bill (H. R. 16159) granting a pension to Laura Harrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16160) granting a pension to Swin Leadford; to the Committee on Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 16161) granting a pension to Martha E. Blough; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 16162) granting a pension to Mary E. Vore; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 16163) granting an increase of pension to Katie Berry; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4576. Petition of the National Council of Traveling Salesmen's Associations and the United Commercial Travelers of America, favoring the United States adherence to the 5-5-3 naval ratio, and urging the passage of Tilson's bill for cruiser appropriations; to the Committee on Naval Affairs.

4577. By Mr. BIXLER. Petition of John E. Oberg and other citizens of Tidioute, Pa., for increase of pensions to Civil War veterans and dependents; to the Committee on Invalid Pensions.

4578. Also, petition of R. B. Hayes Post, Grand Army of the Republic, and other citizens of Oil City and Venango County,

Pa., urging increase of pensions to Civil War veterans and their dependents; to the Committee on Invalid Pensions.

4579. Also, petition of Mrs. T. M. Law and other citizens of Franklin, Pa., for increase to Civil War veterans and their dependents; to the Committee on Invalid Pensions.

4580. By Mr. BLAND: Petition of two voters of Hampton, Va., urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows and carrying the rates proposed by the National Tribune, Washington, D. C.; to the Committee on Invalid Pensions.

4581. By Mr. BROWNE: Petition of citizens of the eighth congressional district of Wisconsin, urging the immediate passage of the Civil War pension bill; to the Committee on Invalid Pensions.

4582. By Mr. CARTER of California: Petition of Charles L. Hermann and 80 other citizens of Alameda County, Calif., urging the passage of legislation increasing the pensions of Civil War veterans and their widows; to the Committee on Invalid Pensions.

4583. By Mr. CHAPMAN: Petition of various and sundry citizens of Estill County, Ky., urging relief for Civil War veterans and their widows; to the Committee on Invalid Pensions.

4584. By Mr. COOPER of Ohio: Petition of citizens of the nineteenth Ohio congressional district, urging the passage of a bill to increase the pensions of the Civil War veterans and their widows; to the Committee on Invalid Pensions.

4585. By Mr. EATON: Petition of several citizens of South Bound Brook, N. J., urging immediate and favorable action on bill granting Civil War veterans and their widows an increase in pension; to the Committee on Invalid Pensions.

4586. By Mr. FOSS: Petition of the Massachusetts Department of Veterans of Foreign Wars of the United States, that the adjusted service certificate be matured immediately; to the Committee on World War Veterans' Legislation.

4587. By Mr. GALLIVAN: Petition of Frank T. Keane, 515 Adams Street, Dorchester, Mass., urging prompt enactment of proper legislation to clear up the situation regarding radio broadcasting; to the Committee on the Merchant Marine and Fisheries.

4588. By Mr. GARBER: Bulletin of the Immigration Restriction Leagues, urging further restriction of immigration; to the Committee on Immigration and Naturalization.

4589. By Mr. GARRETT of Tennessee: Petition of citizens of Benton County, State of Tennessee, requesting action on the bill for an increase of pension to Civil War veterans and their widows; to the Committee on Invalid Pensions.

4590. Also, petition of citizens of Buena Vista, State of Tennessee, requesting action on the bill for an increase of pension to the Civil War veterans and their widows; to the Committee on Invalid Pensions.

4591. Also, petition of citizens of Carroll County, State of Tennessee, requesting action on the increase of pension bill to Civil War veterans and their widows; to the Committee on Invalid Pensions.

4592. Also, petition of citizens of Ohio County, State of Tennessee, requesting action on the proposed bill for an increase of pension to Civil War veterans and their widows; to the Committee on Invalid Pensions.

4593. By Mr. HALE: Petition of citizens of Manchester, N. H., favoring the passage of pension legislation for veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

4594. Also, petition of citizens of Laconia, N. H., favoring the passage of pension legislation for veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

4595. By Mr. HALL of Indiana: Petition of O. G. Gaskill and four others, of Huntington, Ind., favoring the National Tribune's Civil War pension bill; to the Committee on Invalid Pensions.

4596. Also, petition of Lida A. Litter and 13 others, of Huntington, Ind., to bring to a vote the Civil War pension bill; to the Committee on Invalid Pensions.

4597. Also, petition of George W. Pfeiffer and 30 others, of Marion, Ind., to bring to a vote the Civil War pension bill; to the Committee on Invalid Pensions.

4598. By Mr. HERSEY: Petition from voters of Dover-Foxcroft, Me., urging passage of Civil War pension bill to aid the widows, etc.; to the Committee on Invalid Pensions.

4599. Also, petition from Edith A. Hathaway and 34 other residents of East Millinocket, Me., urging passage of bill to aid the widows, etc., of the Civil War; to the Committee on Invalid Pensions.

4600. Also, petition from R. R. Higgins and 28 other residents of Mapleton, Me., urging the passage of the Civil War pension

bill to aid the widows of the Civil War, etc.; to the Committee on Invalid Pensions.

4601. Also, petition of Truman N. Norton and 22 other residents of Maine, urging the passage of the Civil War pension bill; to the Committee on Invalid Pensions.

4602. By Mr. HICKEY: Petition signed by Josephine Wright and other citizens of Knox, Ind., advocating more liberal pensions for Civil War soldiers and their widows; to the Committee on Invalid Pensions.

4603. Also, petition signed by Mr. Joseph Burke, 224 South St. Peters Street, South Bend, Ind., and many other citizens of South Bend, advocating more liberal pensions for Civil War soldiers and their widows; to the Committee on Invalid Pensions.

4604. By Mr. HOOPER: Petition of Mrs. Rose Perkins and seven other residents of Galesburg, Mich., favoring pending legislation to increase the rates of pension of Civil War veterans, their widows, and dependents; to the Committee on Invalid Pensions.

4605. By Mr. HOWARD: Petition in behalf of the voters of Decatur, Burt County, Nebr., seeking support of the Civil War pension bill for relief of the surviving veterans and their widows; to the Committee on Invalid Pensions.

4606. By Mr. IRWIN: Petition of W. F. Brennan et al., of East St. Louis, Ill., urging the passage of pension legislation for the relief of veterans of the Civil War and their widows at the present session of Congress; to the Committee on Invalid Pensions.

4607. By Mr. KINDRED: Petition of 90 voters of New York City, N. Y., urging that immediate steps be taken to bring to a vote the Civil War pension bill, and urging that support on the part of their Senators and Representatives in Congress be accorded this legislation; to the Committee on Invalid Pensions.

4608. By Mr. LUCE: Petition of residents of Brookline, Mass., for the relief of Civil War veterans and widows by bringing to a vote the Civil War pension bill; to the Committee on Invalid Pensions.

4609. By Mr. LETTS: Petition of Fred Worth and 70 other citizens of Davenport, Iowa, urging the passage of the Civil War pension bill; to the Committee on Invalid Pensions.

4610. By Mr. McLAUGHLIN of Michigan: Petition urging that immediate steps be taken to bring to a vote the Civil War pension bill; to the Committee on Invalid Pensions.

4611. By Mr. MAGRADY: Petition of numerous residents of Northumberland County, Pa., urging the passage of House bill 13450 in behalf of Civil War soldiers and widows; to the Committee on Invalid Pensions.

4612. Also, petition of numerous residents of Northumberland County, Pa., protesting against the further admission of aliens and urging the deportation of all criminal aliens; to the Committee on Immigration and Naturalization.

4613. By Mr. MAJOR: Petition of certain citizens of Polk County, Mo., urging passage of Civil War pension bill for the relief of needy and suffering veterans and widows; to the Committee on Invalid Pensions.

4614. Also, petition of certain citizens of Sedalia, Mo., urging the passage of Civil War pension bill for the relief of needy and suffering veterans and widows; to the Committee on Invalid Pensions.

4615. By Mr. MEAD: Petition of postal employees of City Hall Station, New York City, re night work differential; to the Committee on the Post Office and Post Roads.

4616. By Mr. MICHENER: Petition signed by residents of Saline, Mich., asking that certain pension laws be amended; to the Committee on Invalid Pensions.

4617. By Mr. MOORE of Kentucky: Petition signed by 33 voters, urging immediate steps be taken to bring to a vote the Civil War pension bill now pending before Congress; to the Committee on Invalid Pensions.

4618. Also, petition signed by 23 voters, urging immediate steps be taken to bring to a vote the Civil War pension bill now pending before Congress; to the Committee on Invalid Pensions.

4619. Also, petition signed by 23 voters, urging immediate steps be taken to bring to a vote the Civil War pension bill now pending before Congress; to the Committee on Invalid Pensions.

4620. Also, petition signed by W. L. Wright and about 17 other voters, urging immediate steps be taken to bring to a vote the Civil War pension bill now pending before Congress; to the Committee on Invalid Pensions.

4621. Also, petition signed by C. A. Lawton and 12 other voters, urging immediate steps be taken to bring to a vote the Civil War pension bill now pending before Congress; to the Committee on Invalid Pensions.

4622. Also, petition signed by Martha Williams and 73 other voters, urging immediate steps be taken to bring to a vote the

Civil War pension bill now pending before Congress; to the Committee on Invalid Pensions.

4623. By Mr. MORROW: Petition of citizens of route 2, Mountainair, N. Mex., indorsing House bill 13450, Civil War pension bill; to the Committee on Invalid Pensions.

4624. By Mr. O'CONNELL of New York: Petition of the Chamber of Commerce of the State of New York, favoring the immediate authorization and construction and appropriation of funds whereby 10 cruisers of 10,000 tons each, in addition to the 3 already authorized, may be added to the Navy at the earliest practicable moment; to the Committee on Naval Affairs.

4625. Also, petition of Los Angeles Chapter, the Disabled Emergency Officers of the World War, favoring the passage of the Tyson-Fitzgerald bill at this session of Congress; to the Committee on Military Affairs.

4626. By Mr. PHILLIPS: Petition of citizens of Butler and Lawrence Counties, Pa., urging Congress to take immediate steps to bring to a vote the Civil War pension bill; to the Committee on Invalid Pensions.

4627. Also, petition of citizens of Butler County, Pa., urging the passage of House bill 10311; to the Committee on the District of Columbia.

4628. By Mr. PRATT: Petition of citizens of Kerhonkson, Ulster County, N. Y., urging enactment of legislation further increasing the pensions of Civil War veterans and their widows; also, two petitions of citizens of Sangerties, Ulster County, N. Y., requesting legislation to increase the pensions of Civil War veterans and their widows; to the Committee on Invalid Pensions.

4629. By Mr. RAGON: Petition of W. H. Campbell and others, of Little Rock, Ark., for increase of Civil War widows' pensions; to the Committee on Invalid Pensions.

4630. Also, petition of R. J. Lihey and others, for increase of Civil War widows' pensions; to the Committee on Invalid Pensions.

4631. Also, petition of George Neal and others, of Russellville, for increase of Civil War widow's pension; to the Committee on Invalid Pensions.

4632. By Mr. REECE: Petition of sundry citizens of Erwin, Tenn., favoring the passage of legislation for the relief of Civil War veterans and their widows; to the Committee on Invalid Pensions.

4633. By Mr. ROBINSON of Iowa: Petition of citizens of Whitten, State of Iowa, requesting action on a bill for an increase of pension to Civil War veterans and their widows; to the Committee on Invalid Pensions.

4634. By Mr. ROUSE: Petition of citizens of Campbell County, Ky., urging that immediate steps be taken to bring to a vote a Civil War pension bill; to the Committee on Invalid Pensions.

4635. Also, petition of citizens of Crittenden, Grant County, Ky., urging that immediate steps be taken to bring to a vote a Civil War pension bill; to the Committee on Invalid Pensions.

4636. By Mr. SANDERS of New York: Petition of Mrs. Mary Getty and 13 other residents of Pike and Castile, Wyoming County, N. Y., urging the passage by Congress of a bill granting increased pensions to veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

4637. By Mr. STALKER: Petition signed by citizens of Owego, Tioga County, N. Y., urging immediate relief for Civil War veterans and widows; to the Committee on Invalid Pensions.

4638. Also, petition signed by 70 citizens of Watkins Glen, N. Y., and vicinity urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows; to the Committee on Invalid Pensions.

4639. By Mr. STRONG of Kansas: Petition of voters of Chapman, Kans., urging enactment of Civil War pension bill to increase pension for soldiers and their widows; to the Committee on Invalid Pensions.

4640. Also, petition of voters of Junction City, Kans., urging passage of legislation providing increases of pension for Civil War veterans and their widows; to the Committee on Invalid Pensions.

4641. By Mr. STROTHER: Petition of citizens of Wayne County, State of West Virginia, requesting action on a proposed bill for an increase of pension to Civil War veterans and their widows; to the Committee on Invalid Pensions.

4642. By Mr. SWING: Petition of certain residents of San Diego, urging the immediate passage of the Civil War pension bill; to the Committee on Invalid Pensions.

4643. Also, petition of certain residents of Santa Ana, Calif., urging the immediate passage of the Civil War pension bill; to the Committee on Invalid Pensions.

4644. By Mr. TAYLOR of Colorado: Petition of citizens of Craig, Colo., praying for pension relief of veterans of the Civil War and their widows; to the Committee on Invalid Pensions.

4645. By Mr. TINCHER: Petitions of sundry citizens of Beeler and Haven, Kans., urging the passage of a pension bill for the relief of needy Civil War veterans and their widows; to the Committee on Invalid Pensions.

4646. By Mr. WATSON: Petitions from ninth congressional district of Pennsylvania, for increase of pensions for veterans and widows of the Civil War; to the Committee on Invalid Pensions.

4647. By Mr. WOLVERTON: Petition of George N. Robey and others, of Harrison County, W. Va., urging the Congress of the United States to take immediate steps to bring to a vote a Civil War pension bill; to the Committee on Invalid Pensions.

4648. Also, petition of Mrs. Phoebe M. Osborn and others, of Lewis County, W. Va., urging the Congress of the United States to take immediate steps to bring to a vote a Civil War pension bill; to the Committee on Invalid Pensions.

4649. By Mr. WOODYARD: Petition of Parkersburg Council, No. 91, Junior Order United American Mechanics, Parkersburg, W. Va., against House bill 6238, known as the Wadsworth amendment; to the Committee on Immigration and Naturalization.

4650. Also, petition of citizens of Parkersburg, W. Va., relative to pension legislation; to the Committee on Invalid Pensions.

4651. By Mr. ZIHLMAN: Petition of citizens of Smithsburg, Md., urging immediate action and support of the Civil War pension increase bill granting relief to needy veterans and their widows; to the Committee on Invalid Pensions.

SENATE

TUESDAY, January 11, 1927

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father and our God, we bless Thee for every mercy which comes to us and ask that Thou wilt help us through this day whatever may come in the line of duty. Give us wisdom to understand the times and so may we cooperate with a high sense of obligation that this land of ours may be blessed. Save us, we beseech of Thee, from the things which are not right, and give unto us a larger conception of the business of the hour. We ask in Jesus Christ's name. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on the request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PERSONAL EXPLANATION—PRESIDENT DIAZ AND GENERAL DIAZ

Mr. BINGHAM. Mr. President, I desire to correct a statement which I made yesterday due to the fact that I did not hear all that the senior Senator from Idaho [Mr. BORAH] said in reply to a remark of mine.

On page 1333 of the RECORD it is reported that I said:

The Senator from Idaho in an interview given out a few days ago implied that President Diaz was General Diaz, an officer of the Nicaraguan Army.

Mr. BORAH. No; I did not give any such inference at all. My information in regard to this matter is more accurate than that. This is the same Diaz.

I did not understand that the Senator said "This is the same Diaz," otherwise I should not have replied as I later did.

The facts are these: General Diaz, whose name is Humberto Pasos Diaz, was born in 1890, and was a nephew of Adolfo Diaz. During the administration of Emiliano Chamorro, from 1916 to 1920, he was undersecretary for foreign affairs. He was a military man and held the rank of general. He was a qualified aviator and pilot, one of the few Nicaraguans who had this training and he was therefore named the head of the Nicaraguan aviation service, and served with General Chamorro. He held command under Chamorro in 1926 as a general in the Chamorro forces and as chief of aviation. While reconnoitering on the Escondido River in 1926 he was shot by a revolutionary sniper and killed.

The other Diaz, the president, to whom I referred yesterday, Adolfo Diaz, was born in 1875 in Costa Rica of Nicaraguan parents temporarily in exile. He returned to Nicaragua as a young man and entered into business. He took part in the revolution in 1909 against Zelaya. Under the Estrada government he was minister of government and hacienda and later Vice